



Readers,

Lent Upson, the first executive director of the organization that was to become the Citizens Research Council of Michigan, famously said that “The right to criticize government is also an obligation to know what you are talking about.” In America, we very much appreciate and freely use that right to criticize government. But many also appreciate the role of information in understanding and fueling democracy. Elected officials need information to make policy decisions. Electors need information when thrust into the role of policymaker through the initiative and referendum process. And residents need information to evaluate the policies and actions of their elected leaders.

The Detroit Bureau of Governmental Research, which became the Citizens Research Council of Michigan in the 1950s, was created during the progressive era, with the goal of bringing efficiency and economy to government. The description of Lent Upson’s approach to government aptly characterizes the ethos that has driven this organization for the past century: He was most assuredly in favor of efficient government, but not against government. Upson often said that police and fire protection, the streets, sewer and water lines, and the other activities of government are vital and that they must be delivered efficiently, not to lower taxes, but “because waste destroys the resources of democracy.” He even noted that an efficient government might generate public support for it to do more.

CRC has never been a very big organization in terms of staffing, but the research produced by that staff has had an outsized impact on Michigan’s public policies. The history contained in this book tells the story of the organization’s role in shaping government for the State of Michigan, City of Detroit, and many other jurisdictions; improving and explaining state and local taxes; analyzing and describing government finance; improving government efficiency; and informing the citizens of Michigan about the government that serves them. In other words, the objective, credible, independent work of the Citizens Research Council of Michigan has played a role in *Making Democracy Work*.

It is our hope that this history will illuminate the value of the Citizens Research Council of Michigan.

Terence M. Donnelly
Board Chair

Eric W. Luper
President

Contents

Progressive Roots	7	“A Vine-Covered Brown House”	31	Direct Democracy and Tax Policy.....	58
“To Secure Efficiency and Economy in Government”	11	Years of Flux	34	Michigan’s Economic Watershed ...	61
“Up”	13	A New Organization on the Horizon	38	Into a New Millennium.....	66
“An Independent, Nonpartisan Agency”	17	“The Bureau is Changing its Name to the Citizens Research Council of Michigan”	42	On the Threshold of CRC’s Second Century	73
“The Sea is With the Ship”	21	The Con-Con Years.....	49	Epilogue: “To Make Democracy Work”	78
“A horrible depression”	28	The Calm before the Economic Storm.....	56	Appendix.....	80

Spring 1916 in Detroit got off to a bad start. During the night of March 21 and into the next day, nearly 10 inches of snow fell on the city in a record springtime storm, giving the primitive snow removal methods of the day (horses, wagons, men with shovels) all they could handle. But it was not all bad: On March 22, with the drifts still deep on the ground, a new organization was chartered that would help make government in Detroit and Michigan more efficient and accountable—and even help to improve snow removal.



The second decade of the 20th century in America was marked by transition. A nation primarily rural in 1900 would be primarily urban by 1920. The products of industry, which had been largely directed at agriculture, mining, and lumbering in the previous century, were now bringing about the development of cities. Such a major shift could not occur without tension between the old and the new.

New Technology

THE RISE OF THE AUTOMOBILE. The most dramatic change was the proliferation of the automobile. By some estimates, the automobile overtook the horse as the principal mode of transportation in 1916. A photograph of the downtown of any large city at the time reveals a chaotic mixture of pedestrians, horses with wagons, horses with riders, streetcars, and automobiles. The auto would make its biggest impact on the City of Detroit.

THE IMPACT OF ELECTRICITY. The extension of electric power was enabling many technological advances. At first, homes were wired for electricity in anticipation of a few lightbulbs. But now there was a whole new set of demands on electric power. Clothes washers with electric wringers were becoming available. The patent for what was to become the Kelvinator electric refrigerator was obtained in 1914, followed soon by the Frigidaire. Electric irons were also finding their way into American homes. The workload of the housewife was being lightened by machines. Urban women, who were also freed from farm tasks, were asserting themselves in society and political affairs, the most obvious evidence being the push toward woman suffrage and the movement toward family planning.

Photo Detroit Free Press archives

Monroe Street in downtown Detroit, 1916. On the left is the Majestic Building, owned by a Detroit Bureau founder Edward H. Doyle.

Major Changes at Home and Abroad

PROHIBITION AND WOMAN SUFFRAGE. The tension between the old and the new was nowhere more obvious than in the debate over Prohibition. The battle between the wets and the drys had been waged for many decades and by 1916, the “temperance” movement had allied itself with woman suffragists in a strategy to amend the U. S. Constitution, both to give women the right to vote and to ban the production and sale of alcoholic beverages.

WAR ON THE HORIZON. The international front was also the scene of a major shift. Although America had a strong isolationist streak, the war raging in Europe was causing many to reassess the wisdom, or even the possibility, of retaining a neutral stance toward the combatants. The loss of American lives on the *Lusitania* in May 1915 made the Great War relevant to many in a way that it had not been before. “He kept us out of war” was President Wilson’s campaign slogan going into the 1916 election, but it came with no promise that the U. S. would not enter the conflict.

Life in 1916 Detroit

THE MOTOR CITY. In early 1916, Detroit and the nation were rapidly adapting to the automobile. Henry Ford had introduced mass production to the auto industry and the millionth Model T had come off the assembly line in the new plant in Highland Park.

With a price of \$345, the Tin Lizzie was more affordable than any other car before its time and its impact on the nation and, especially its hometown of Detroit, was being felt.

INCREASED MOBILITY was not the only effect the auto was having. The growth of the auto industry and its rising wages (Ford’s \$5 a day wage had gone into effect in 1914) were attracting large numbers of workers and their families. The population of Detroit, which had been 285,704 in 1900, was 734,562 in 1916 and would be over a million in five years. The immigrants were coming from everywhere, but principally from rural America and from Europe. The main wave of Black immigration from the South was yet



Photo Detroit Free Press archives

Henry Ford and a Model T.

to come, but it had started. Such growth was placing a strain on the city to provide services needed to accommodate the new arrivals. Government structure and procedures needed strengthening if they were to be up to the task.

POPULAR CULTURE. Motion pictures were attracting ever larger audiences. Cecil B. DeMille’s *The Birth of a Nation*, with Lillian Gish, was the subject of major controversy stemming from its sympathetic treatment of the Ku Klux Klan. (Klan membership in Detroit was on the rise and the KKK would become a significant political force in the 1920s.) Other popular pictures were *The Foundling*, with Mary Pickford, and *A*



Photo Detroit Free Press archives

Boblo boat

Fool There Was, with Theda Bara as the “Vamp.”

Booth Tarkington was the most widely read author, following his 1915 best-seller, *The Turmoil*, with an even bigger hit, *Seventeen*, in 1916. Other best-selling authors were Michael O’Halloran and Gene Stratton Porter. Carl Sandburg had just released *Chicago Poems* and Detroit’s own Edgar A. Guest had released his first collection of poetry, *A Heap O’ Livin’*.

Popular songs included *M-O-T-H-E-R* (popularized by the “Last of the Red Hot Mamas,” Sophie Tucker), *Paper Doll*, and *Keep the Home Fires Burning*. Recorded music was selling more each year and the disc was overtaking the cylinder in popularity. Best-selling records were *Carry Me Back to Old Virginny* and *It’s a Long Way to Tipperary*. Ragtime music was nearing the end of its peak popularity, but perhaps most foretelling was the sheet music release of Jelly Roll Morton’s *Jelly Roll Blues*, a harbinger of the Jazz Age.

APRIL 1916. In April, Detroiters were looking forward to warmer weather and such treats as taking the *Columbia* or the *Ste. Claire* downriver to Boblo Island, having a soda at Fred Sanders’ Pavilion of Sweets, or making a Boston Cooler (probably named after Boston Boulevard, just north of Grand Boulevard) made with Vernor’s Ginger Ale. They would not, however, be able to cross the bridge to Belle Isle. The bridge had burned the year before and a temporary replacement would not be finished until July.

On April 13 the Detroit Tigers played the Chicago White Sox at Comiskey Park in Chicago. Hopes were high for the Tigers as they had placed a close second to the Boston Red Sox in the American League in 1915 and had won their season opener against

Chicago the day before. But, despite a line-up loaded with three future members of the Baseball Hall of Fame (Ty Cobb, Sam Crawford, and Harry Heilmann), and a 5-run ninth inning, the Tigers dropped the game 8-6.

Meanwhile, 280 miles to the east, in offices donated by the First and Old National Bank at 100 Griswold Street in Detroit, the lights were coming on for the first day of operation of the Detroit Bureau of Governmental Research, a little organization with an outsized agenda.

This is the story of that organization, which ultimately became the Citizens Research Council of Michigan.



Progressive Roots

The Progressive Era emerged in response to the failure of government at all levels to come to grips with the exploding industrial economy of the late 19th century. New multi-state enterprises with strongly anti-competitive aspects threatened the small-town middle class and agrarian interests that had dominated the economy up to that point. Burgeoning cities, fueled by mass immigration, were served by governmental structures incapable of coping with the new demands placed on them and were beset by corrupt influences.

The Progressive Era produced three distinct, but related, reactions to the excesses of the “robber barons” and the big city bosses.

Hayseeds, Mugwumps, and Goo-Goos

AGRARIAN POPULISM. Agriculture, although still strong, was in relative decline as the movement west came to an end and farm workers migrated to the cities. In addition to a loss of political power, farmers were finding market forces arrayed against them in the form of large grain elevator operators, railroads, and banks.

The most notable reaction to these forces was manifested in the Populist Party, centered in the Great Plains, its supporters known pejoratively as “hayseeds.” Much of the Populist Party agenda—regulation of trusts, the gold standard, and abolition of national banks—was absorbed by the Democratic Party and articulated most notably by three-time presidential candidate William Jennings Bryan.

PROGRESSIVISM. The most recognizable element of the Progressive Era was driven by professionals and small businesses—the traditional middle class. Their targets were the trusts, railroads, and utilities and their weapons were regulatory statutes aimed at breaking monopoly power. Often referred to as “mugwumps” in reference to Republican reformers who bolted their party to support Grover Cleveland in 1884, the middle class reformers were a source of much of the energy in the Progressive Era.



Detroit Free Press archives
Woodrow Wilson

While the amount of economic reform has been debated, Progressive presidents, Theodore Roosevelt and Woodrow Wilson, were among the towering political figures of the 20th century.

CIVIC REFORM. City governments, inadequate to the task of providing services to the mounting numbers of new residents, provided fertile soil for the rise of political “bosses” and their machines. Personnel decisions were largely political, budgeting was non-existent, purchasing was often done behind closed doors, and organizational structures were seemingly designed to hinder decision-making.

Early civic reform efforts were often led by social workers, some of whom turned their attention to governmental reform rather than to programs aimed directly at the poor, such as slum clearance, public health, education, and alcoholism reduction. They despaired of making progress toward their goals if the city governments were too corrupt and inefficient to provide the necessary services. More efficient and account-

1906

New York Bureau of Municipal Research founded

1911

Lent Upson interns at New York Bureau with William H. Allen

1912

Upson founds Dayton Bureau of Municipal Research



William H. Allen

The reformers determined that they needed another approach.

able government thus became a high priority for the civic reform movement. Those supporting “good government” were soon labeled “Goo-Goos” by the entrenched interests that opposed them.

Civic reform had a distinctly Yankee Protestant bent. The shift in population from rural (Protestant) to urban (Catholic, largely Irish) caused many reformers to adopt a somewhat moralistic stance toward cities. Closely associated with civic reform was the Social Gospel movement, which held that good works, especially those done on a grand scale, such as reforming cities, were necessary to salvation. Adherents to the Social Gospel were to play an important role in the formation of organizations such as the Detroit Bureau of Governmental Research.

The preferred method of reform adopted by the Goo-Goos was that of electing sympathetic mayors and governors who would institute the desired reforms. To a degree, this approach was successful in the sense that a number of progressive mayors and governors were elected. Unfortunately, many of the reform administrations lacked effective political organization and were voted out after one term, not lasting long enough to put reforms into effect. (Hazen Pingree, mayor of Detroit in the 1890s, was such a mayor, although he was re-elected three times and was subsequently elected governor of Michigan.)

Governmental Research

Dissatisfaction with the ballot box approach led many civic and business leaders to support private organizations designed to analyze local governmental organization and finance and to propose new structures and processes based on a dispassionate review of the facts. These proposals would find favor with civic leaders and the electorate, who would, in turn, hold their elected officials accountable for putting them into effect. This was the dawning of the governmental research movement.

THE NEW YORK BUREAU. The first of these agencies and, in many ways, the model for those to follow was the New York Bureau of Municipal Research. Founded in 1906 as the Bureau of City Betterment, it changed its name in 1907 to better reflect its emphasis on fact-gathering and analysis.

The New York Bureau was the creation of Robert (Robt.) Fulton Cutting (a descendant of Robert Fulton of steamboat fame), an individual of immense wealth, who was at the time the president of the Citizens’ Union and the Association for Improving the Condition of the Poor, an organization devoted to such things as milk inspection, public baths, summer camps, tenement inspection, and the welfare of school children. Its secretary, William H. Allen, generally considered the father of governmental research, had made fact-finding an integral part of the reform effort of the Association. Cutting, realizing the potential in a research-based approach to reform, personally financed the first year of the new Bureau. The staff included Allen, Henry Bruere, and Frederick A.

1914
Upson first
president of
Governmental
Research
Association

Cleveland, a professor of public finance at New York University. Their initial studies rocked Tammany Hall and brought them wide acclaim. The Bureau was such a success that it attracted supporters whose names are well-known today—J. P. Morgan, Andrew Carnegie, John D. Rockefeller, the Vanderbilts, and Mrs. E. H. Harriman—some of whom, ironically, were themselves targets of reform in other arenas. It also attracted attention elsewhere and similar agencies began to spring up in Chicago, Philadelphia, Dayton, and in other cities.

The End of the Progressive Era

Despite its name, the Progressive Movement was essentially conservative. It sought to reform capitalism and government, not to bring them down. Real fears existed that rising labor unions and other radicals would introduce socialist or Marxist policies. Progressive reforms were viewed as a means of taking the wind out of the sails of those movements.

The strength of Progressivism, its idealism, was also the source of its downfall. The shattering of American idealism with the entry of the United States into World War I in early 1917 made Progressivism seem almost irrelevant to large sections of the American public. The prosperity of the Roaring 20s then placed reform on the back burner of American politics and it was not until the Great Depression that Progressive-like reforms would be revisited.

One element of the Progressive Era that did survive intact, however, was governmental research. The many agencies that followed the New York Bureau of Municipal Research left an imprint on state and local government far out of proportion to their size and none was more successful than the Detroit Bureau of Governmental Research.

1915-16

(winter)

Emory W. Clark invites New York Bureau representatives to Detroit to discuss governmental research

March 22, 1916

Articles of association filed for Detroit Bureau of Governmental Research; Otto Kirchner, German-American Savings Bank, selected chair

April 8, 1916

Upson arrives in Detroit to head the new Bureau

**April 13,
1916**

Detroit Bureau
begins
operations
at 100 Griswold
St.

**May 1,
1916**

First Bureau
publication,
Public Business,
No. 1

1917

Kirchner second
president of
Governmental
Research
Association

Principles of Civic Reform in the Progressive Era

The changes promoted by the civic reformers and the governmental research organizations they created were not ends in themselves. They were intended to produce two complementary results: First, bringing greater accountability to state and local government. Second, making government more efficient in its use of public resources. Since these goals overlapped, the following categorization is somewhat arbitrary.

Accountability. Civic reformers had concluded that both the executive and legislative branches of government had become instruments of special interests and needed to be made more accountable to the electorate or, if necessary, circumvented.

- **Short ballot.** Large numbers of elected officials frustrated voter attempts at becoming informed and, once in office, those officials could use their electoral bases to impede mayors and governors from carrying out their policies. Civic reformers favored election of only mayors, governors, and legislative bodies.

- **Fair apportionment and districting.** Rural legislators had either drawn legislative districts favoring their own interests, which were antagonistic to the interests of the growing cities, or had failed to redraw them at all.

- **Direct Democracy.** In order to permit the voters to neutralize special interest legislation, civic reformers supported the initiative, whereby laws could be proposed by citizens and approved at elections, thereby skirting the legislative process, and the referendum, which permitted voters to force submission of legislatively adopted laws to popular election. Reformers also favored the recall, which permitted voters to terminate the service of individual elected officials in special elections.

Efficiency. Civic reformers favored more efficient government, not so much because they wanted lower taxes (although many did), but because efficient government could provide more services to a growing city.

- **Executive Budget.** Executive budgeting in government was rare before the Progressive Era. To the extent that budgeting occurred, it was done by legislative committees, which meant that mayors and governors had little say in the spending programs they were expected to administer. It also meant that long-term planning was virtually non-existent.

- **Civil Service.** Political appointees, many with little or no experience in the areas in which they were employed, created two problems: First, they were liable to deliver substandard services. Second, they often relied on the vendors of such goods as asphalt and brick to tell them how to do their jobs. Selection of public servants through objectively constructed competitive exams was promoted as a solution to this problem.

- **Competitive Bidding.** A growing city required new water lines, sewers, roads, garbage trucks, and many other items that vendors were eager to supply. Frequently, those vendors developed cozy or unethical relationships with city officials and were able to sell their goods at monopoly prices. Competitive bidding, out in the open, was viewed as an antidote to this problem.

- **City Manager.** The ability to be elected mayor does not necessarily encompass the ability to manage the affairs of the city. City managers, appointed by the legislative body to make the day-to-day executive decisions, were favored by civic reformers to bring managerial competence to the office.

- **Single Department Heads.** Important departments in both state and local government were often headed by boards or commissions, sometimes independently elected, which could result in indecisiveness and stagnation. Single department heads, accountable to the mayor or governor, were favored by the civic reformers.



“To Secure Efficiency and Economy in Government”

In late 1915, Emory W. Clark, president of the First and Old National Bank of Detroit, responded to R. Fulton Cutting, board chair of the New York Bureau of Municipal Research, who was interested in enlisting Detroit money in funding an organization that would conduct a survey of federal expenditures. Clark invited Cutting and Bureau staff member Frederick A. Cleveland to lunch in Detroit to discuss the matter. Also in attendance was former Michigan attorney general Otto Kirchner, vice president of the German-American Savings Bank.

The discussion centered on the philosophy of governmental research, the impact of the New York Bureau, the establishment of research bureaus in other cities, and the propitiousness of Detroit as a location for such an agency. Kirchner agreed to lead the effort if sufficient support could be developed.

(Although funding for the proposed federal project was not forthcoming from Detroit, Cutting’s efforts continued and later in 1916, with Robert S. Brookings, he was instrumental in creating the Institute for Governmental Research, which, in 1927, formed the nucleus of the Brookings Institution.)

The Detroit Bureau is Chartered

THE PURPOSE OF THE BUREAU. The articles of association of the Detroit Bureau of Governmental Research were adopted a few months after the visit from Cutting and Cleveland, on March 22, 1916. The stated purpose of the new organization was:

To secure efficiency and economy in government, whether national, state, or municipal, by all lawful means other than promoting or defeating the election or appointment to public office of any person or persons.

The articles also precluded public officials or employees from serving on the Board of Trustees.

THE FOUNDERS. Of the ten men who signed the articles, three were central to the launching of the Detroit Bureau:

Otto Kirchner. Born in Frankfurt-on-the-Oder, Prussia, in 1846, Kirchner came to the United States in 1853. After being admitted to the Michigan Bar, he practiced law in Detroit and was elected Michigan Attorney General, serving from 1877 to 1881. He returned to law practice until 1893 when he became professor of law at the University of Michigan, a post he held until 1906, then becoming a non-resident scholar. He was vice president of the German-American Savings Bank at the time of the forma-

Otto Kirchner



Sept. 1916

First Bureau research study, *Report on Sewer Construction*

Dec. 1916

Detroit installs budget process recommended by Bureau

1916

Detroit adopts centralized purchasing plan proposed by Bureau

1918

Detroit adopts home rule charter reflecting many Bureau positions

1919

Bureau calls for construction of a Detroit subway

1919

Michigan state government adopts Bureau recommended budget process

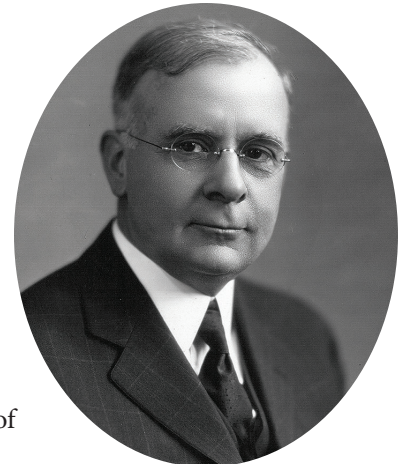
1920

Bureau becomes part of Community Fund

tion of the Detroit Bureau. Kirchner wrote widely on the weakness of local government in Michigan, and his interest in government was exemplified by his membership in the Michigan Political Science Association, of which he was president in 1896. He was the first president of the Detroit Bureau Board of Trustees, a position he held until his death in 1920.

Emory W. Clark. A native Detroiter, born in 1868, Clark came from a strong political and banking background. His grandfather, Myron H. Clark, was the first Republican governor of New York and Clark's father established the State Bank of Michigan in 1859. Clark joined the First and Old National Bank of Detroit in 1901 and soon became president. Although he remained on the Detroit Bureau board until 1944, he never served as president.

Ralph Stone. Born in Delaware in 1868, Stone graduated from Swarthmore College in 1889. He attended law school at the University of Michigan, where he helped to found the *Michigan Daily* and was the first editor of the *Michigan Law Journal*, the predecessor of the *Michigan Law Review*. He went into banking, but his career was interrupted when he served briefly as private secretary to Governor Hazen S. Pingree from 1899 to 1901. He returned to banking, becoming president of the newly formed Detroit Trust Company in 1915, then chairman of the board in 1927, serving until 1933. He was on the Detroit Bureau board from 1916 to 1923 and again from 1935 to 1944, serving as president from 1921 to 1923. He served as a Regent of the University of Michigan from 1924 to 1940.



Ralph Stone

The other founders were also drawn from Detroit industrial and commercial leadership (board service in parentheses):

Eugene W. Lewis. (1916-44) Secretary and treasurer, Detroit Timken Axle

Alvan Macauley. (1916-17) Vice president and general manager, Packard Motor Co.

Joseph J. Crowley. (1916-25) Co-founder, Crowley, Milner & Co.

Charles C. Jenks. (1916-25) President, Security Trust Co.

Sidney T. Miller. (1916-40) Attorney, Miller Canfield. Miller was instrumental in the establishment of the Detroit Trust Co., later headed by co-board member, Ralph Stone.

Edward H. Doyle. (1916-19) Former Michigan banking commissioner and owner of the Majestic Building.

Norval A. Hawkins. (1916-36) Sales manager, Ford Motor Co.



Norval A. Hawkins

LOCATION AND FUNDING. The new Detroit Bureau was to be located in offices at 100 Griswold donated by the First and Old National Bank. Its budget for the first year was \$40,000, supplied by a funding effort led by Clark and Stone.

A PROPITIOUS CHOICE. With board leadership and funding in place, there remained only the final, critical choice of staff leader. That choice would prove to be brilliant.



“Up”

Although no record exists, it is all but certain that, in the discussions between Clark and Kirchner and the representatives of the New York Bureau, Cutting and Cleveland mentioned the name of a young Ph.D. who had interned with them a few years earlier. He was, at the time, with the National Cash Register Company in Dayton, Ohio, and at the age of only 29, had already gained a wide reputation.

Lent Dayton Upson was born on November 5, 1886. His grandparents had arrived in Illinois “by covered wagon” and he was reared in Rockford, where his father was a flour and seed merchant. He received his B.A. in 1908 and his M.A. in 1909 from the University of Wisconsin and his Ph.D. from the University of Illinois in 1911.

In 1911 and 1912, he interned at the New York Training School for Public Service, which was affiliated with the New York Bureau. There he worked with William H. Allen, Henry Bruere, and Frederick Cleveland, the “ABCs” of early governmental research, who left a lasting mark on his thinking.

Upson Comes to Detroit

In 1912, he was able to put those thoughts into effect by founding the Dayton Bureau of Municipal Research, which was wholly funded by John H. Patterson, the head of the National Cash Register Company, and within two years had waged a successful campaign to install the city manager form of government in Dayton. In 1914, he returned to the New York Bureau as assistant secretary, but his stay was short-lived. Impressed by Upson’s success at the Dayton Bureau and his skillful management of the relief effort of the Great Dayton Flood of 1913, Patterson brought Upson back to Dayton as executive secretary of National Cash Register in 1915. But when the opportunity to head a governmental research agency in one of America’s fastest growing major cities presented itself, Upson quickly accepted. (He told Patterson, “I can’t for the life of me get interested in cash registers.”) It was a position he would hold for the next 28 years and, in the process, would become a giant in his chosen field.

Wide-Spread Interests

While the Detroit Bureau was to become his professional home, his skill set was such that he was in demand by other institutions. He was a lecturer in public administration at the University of Michigan from 1918 to 1932 and again from 1935 to 1938. He was chief statistician of the division of taxation of the U. S. Census Bureau in 1935 and was a consultant on municipal finance and services to the Federal Emergency Relief Administration and the Works Progress Administration from 1934 to 1937. In 1938 and 1939, he acted as a consultant to the Social Security Administration.

But his most enduring professional relationship outside of the Detroit Bureau was with Wayne University, with which he was associated from 1927 until his death in 1949. He was the first dean of the School of Public Affairs and Social Work (1935-1949) and headed the National Training School for Public Service at Wayne (1944-49). To this day, the Graduate Program in Public Administration honors him with an annual “Upson Lecture.”

● 1920
Bureau issues first analysis of state government organization

● 1921
Bureau recommends Wayne County reorganization

● 1921
Ralph Stone, Detroit Trust Co., becomes chair

1921

Bureau moves to
542 Griswold St.

1921

Bureau clashes
with Detroit Civil
Service over lax
standards

1921

Bureau identifies
unequal property
tax assessments
in Michigan



Lent Dayton Upson

Personal Life

Upson and his wife, Judy, an early Detroit Bureau employee whom he married in 1917, lived in “a little white house” on Taylor Street in Detroit with their two daughters, but vacations in Massachusetts and Maine led them to buy and rehabilitate an abandoned farm in the Berkshires in the late 1930s, where they then summered and entertained Upson’s professional colleagues in get-togethers that occasionally reached legendary status in governmental research circles.

In reflecting on the Depression, Upson noted that he and Judy “worked hard and played hard” and “knew the doormen at a half dozen ‘speaks.’” He recalled that “like many of that time” they kept one salary check ahead of “N. S. F.”

Upson the Communicator

Known affectionately by friends and associates simply as “Up,” he was a pioneering researcher and communicator. He understood the difficulties in explaining the issues to those who were not engaged in the day-to-day study of public issues and strove to make the result of governmental research clear and accessible. He also dealt effectively with board members, public officials, the press, and citizens because, even though he was, according to one long-time associate, “always the smartest person in the room,”

he had an engaging personality and slightly satiric sense of humor that tempered his academic side.

Upson the Teacher

Perhaps most of all, however, he was a teacher. He had mastered the tools of public administration and governmental research and inculcated them not only in his students at U-M and Wayne, but also in those with whom he worked. He recognized that good public administration consists of “50 percent administrative tools and 50 percent people skills.”

Upson was justifiably proud of those he had mentored. Many of his students and staff members went on to distinguished careers, either in governmental research or in government, and he always noted their accomplishments in Bureau annual reports and other documents.

Upson’s Stance toward Government

While Upson was most assuredly in favor of efficient government, he was not anti-government. He often said that police and fire protection, the streets, sewers, and water lines, and the other activities of government were vital to a growing city and that they must be delivered efficiently, not to lower taxes, but “because waste destroys the resources of democracy.” He even noted that an efficient government might generate public support for it to do more.

He was sympathetic to the problems of public officials, most of whom he felt were well-intended but ill-trained in the procedures and techniques of public administration, a weakness he spent his career attempting to remedy. He also had little patience for critics of government who had not bothered to acquaint themselves with the issues. In one acerbic commentary he wrote:

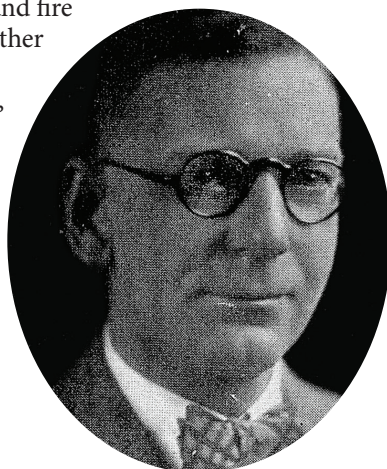
In the scientific world, the layman does not quarrel with the laws of gravity... or of the speed of light. But in the social fields, truths generally accepted by students of their subjects and even by a substantial part of the public will be openly challenged by certain groups which are afraid that your truth will affect their religious liberties, their economic condition, their concepts of democracy, or disturb their ignorance and their prejudices.

He later condensed these thoughts into a statement that, many decades later, is found on the homepage of the Citizens Research Council of Michigan:

The right to criticize government is also an obligation to know what you are talking about.

Knowing “what you are talking about” had a very particular meaning to Upson. It meant carefully assembling the relevant facts and then assuring that any conclusions were drawn from those facts, rather than the other way around. He told his students and staff:

Memorize one axiom—challenge every fact and every conclusion—both yours and the other fellow’s and then yours again. Then you are on your way to becoming a good researcher.



Lent D.
Upson in
1929

1921

First Bureau analysis of statewide ballot issues

1920s

Land acquisition for an “Outer Boulevard” supported

1922

Bureau moves to 316 E. Jefferson Ave., Krolik building

Upson and the Long View

Upson was well aware that immediate change was an unlikely outcome of governmental research. In 1938 he wrote that:

Research in government must, in many instances, precede by long years the accomplishment of result and that constant repetition is the well-established means of causing an idea to prevail. It is often complained that “surveys go on the shelf,” but with adequate publicity that is only a stage in the process of securing improvements in the organization and methods of government.

In the same vein, he would later note that “a governmental reformer must have a geologist’s sense of time.”

1922

Bureau recommends use of automobiles in police neighborhood patrols

1923

Motorized waste collection and snow plows recommended

1923

Francis McMath, Canadian Bridge Co., becomes chair



“An Independent, Nonpartisan Agency”

Initial reception of the establishment of the Detroit Bureau was, by and large, positive. W. H. Kelsey, who had looked into other governmental research organizations, said in the *Detroit News* on April 17, 1916:

If the Bureau is conducted as the New York organization has been—and the personnel of the board is assurance that it will be—the city will receive very valuable aid.

The *Municipal Journal* of April 27, commenting on the formation of the Bureau, noted that:

Mayor Marx, controller George Engel, corporation counsel Harry J. Dingeman, commissioner Fenkell of the department of public works and commissioner William J. Dust of the department of parks and boulevards, have expressed themselves pleased with the plan.

The Bureau Introduces Itself

Upson arrived in Detroit on Saturday, April 8, and on Thursday, April 13, the Bureau began work “with a small staff but a fairly adequate budget.” On May 1, the Bureau issued its first publication, *Public Business No. 1*, which stated the means of accomplishing the objective of securing efficiency and economy in government:

To get things done for Detroit through cooperation with persons who are in office, by increasing efficiency and eliminating waste, and

To serve as an independent, nonpartisan agency for keeping citizens informed about the city’s business

It also declared an optimistic goal:

The Bureau sees no reason why Detroit should not have a government comparing favorably with the most progressive cities in the United States.

Initial Studies

Almost immediately, the Detroit Bureau answered requests from public officials to study their agencies. Even before the Bureau had its own staff, it produced a *Report on Sewer Construction* in September 1916, prepared by staff loaned to the Bureau by Upson’s old friends at the New York Bureau. It created a stir by recommending competitive bidding in sewer construction.

The Bureau studied the Detroit schools and recommended cutting the School Board from 22 members to 7.

In another early study, it recommended central purchasing carried out by a board chaired by the city controller.



1924

Bureau study, *The Detroit Metropolitan Area*, recommends regional service provision



1924

Bureau staff performs administrative survey of Cincinnati, Ohio



1926

The Negro in Detroit analyzed racial conditions in the Motor City

1927

Bureau moves to 51 W. Warren Ave.

Early Research Agenda

Three principal subject areas constituted the first Detroit Bureau research agenda: **ESTABLISHING EXECUTIVE BUDGETS.** Modern budgeting at any level of government was unknown until the early 1900s, but it was a priority for the first research bureaus, including Detroit.

In 1916, the Bureau worked with Detroit City Controller George Engel to install an executive budget process. Press reception was immediate and positive:

A notable achievement is the adoption of a new form of budget, comprehensible even to the layman, revealing by a system of itemization of expenditures under activities and subactivities of each department, exactly how the City's money is being spent (*Detroit News*, December 31, 1916)

This success led to a similar effort in Wayne County, but county government, with its multiple elected executives and a legislative body with executive powers, was finally determined not suitable for an executive budget. This led the Bureau to begin an effort to modernize county government, which would last for six decades.

Greater success was achieved at the state level in 1919 when Governor Albert Sleeper worked with the Bureau to pass budget legislation. The Legislature, however, did not support the idea of a budget that originated with the executive branch and a truly modern state budget was several years in arriving.

CENTRALIZED PURCHASING. In its first year of operation, the Bureau proposed a centralized purchasing system for Detroit to replace the system of departmental purchasing that was both inefficient and subject to abuse. It was so successful that it would be incorporated in the City of Detroit charter two years later.

PUBLIC WORKS. To accommodate the rapidly growing number of motor vehicles in Detroit, it became imperative to build new streets to higher specifications. Local contractors preferred the use of naturally occurring lake asphalt, but the Bureau showed that by permitting oil asphalt and concrete to be used and purchased through competitive bidding, great savings could be achieved in street construction.

A plan to greatly expand the city sewer system at the unprecedented cost of \$16

PUBLIC BUSINESS

Issued by the Detroit Bureau of Governmental Research

No. 1

May 1, 1916

AN EDITORIAL

"Through the public-spirited action of a few Detroiters, the city has been presented with a new department, a department of constructive criticism, known as a bureau of municipal research. Its directors say that the institution will be permanent. It will try to add to the efficiency of city offices and to keep the city posted on matters it should know regarding its government."

"If the bureau is conducted as the New York organization has been - and the personnel of its board is assurance that it will be - the city will receive very valuable aid."

Editorial: - *Detroit News*, Apr. 17, 1916.

The Bureau of Governmental Research proposes to conduct its activities along the lines which have accomplished so much for New York City over the past few years and which have secured the approval of Mayor McClellan, Governor Hughes, Mayor Gaynor, Borough President McAneny, Talcott Williams, Mayor Mitchell, Controller Metz, Controller Prendergast, and others.

Public Business was the Bureau's first publication on 1916.

in Detroit, it became imperative to build new streets to higher specifications. Local contractors preferred the use of naturally occurring lake asphalt, but the Bureau showed that by permitting oil asphalt and concrete to be used and purchased through competitive bidding, great savings could be achieved in street construction.

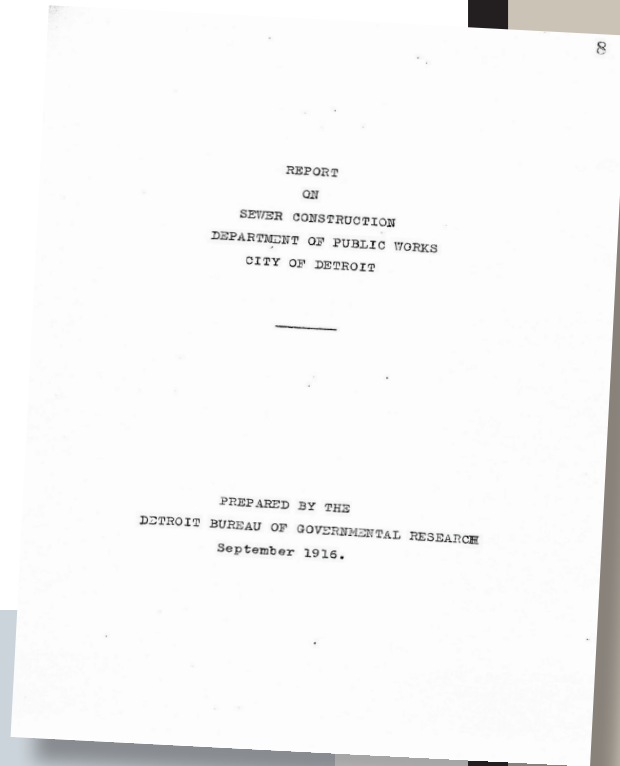
A plan to greatly expand the city sewer system at the unprecedented cost of \$16

1927

Bureau begins night classes in public administration at City College of Detroit

million, led the Bureau to support competitive bidding and the use of concrete instead of brick, which had been supported by the local brick industry, leading to considerable savings to the taxpayers.

The Bureau took on another industry when the Grand Trunk Railroad exploited divided responsibility in city government to gain approval of grade separation that would elevate the track and depress Jefferson and Gratiot Avenues at great expense to the city. The Bureau found that no public plan had been proposed and called for a delay until one could be drafted. After considerable legal proceedings, the Michigan Public Service Commission ruled in favor of the city plan, saving \$1.7 million and preserving Jefferson and Gratiot as unobstructed thoroughfares.



1916 Sewer Construction report prepared by the Bureau.

The First Professional Staff

From the very beginning, Upson attracted a first-rate staff. Most had worked in other research bureaus. The principal early staffers were:

Arch Mandel had a B. A. from the City College of New York and had attended the Training School for Public Service at the New York Bureau, where he met Upson. He followed Upson to the Dayton Bureau in 1913 and stayed there until he again followed Upson to Detroit. He left Detroit in 1922 to return to Dayton as the secretary of the Dayton Research Association.



Henry Steffens, Jr.

H. S. Morse received a B. S. degree from the Massachusetts Institute of Technology. He had developed expertise in sewerage while with the Cincinnati Bureau in the three years before he came to Detroit. Morse left in 1917 to join Goodyear Rubber and later became president of the Indianapolis Water Company.

Henry Steffens, Jr. was an accountant with a degree from New York University and had been in the Bureaus in Minneapolis and Milwaukee. He became City Controller of Detroit in 1919. In the 1940s, he would play an important role in creating the Citizens Research Council.

Upson was proud of his staff, but recognized their limitations. "The Bureau staff," he said, "makes no pretensions of being competent to cover the many lines of city endeavor. It can offer technical expertise in certain lines, secure special advice in other lines, and frankly admits inability to help in others."



Arch Mandel

1927

Bureau inventories City of Detroit property

1929

Bureau assesses conditions at Herman Kiefer Hospital

1929

Principal Bureau publication becomes *Just a Minute*

A Charter for Detroit

Among the notable changes brought about by the 1908 Michigan Constitution were strong home rule provisions for cities. Largely as a result of Bureau research, a home rule charter for the City of Detroit was adopted in 1918. A number of Bureau recommendations were incorporated in the new charter, including reducing the Common Council from 42 members elected by ward to 9 elected at large; the initiative, referendum, and recall; establishment of the Detroit Institute of Arts; modern budgeting, accounting, and purchasing; and competitive bidding.

The Bureau Becomes Established

At the outset, the Bureau received attention and gained a measure of credibility on the strength of the reputations of the founders. In a very few years, however, the source of its growing reputation came to be the work of the staff, an important transition for the new organization as it established itself as a significant player in the city, the region, and, increasingly, the state.

1929

Bureau
recommends
trash incineration

1929

Frank Alfred,
Pere Marquette
Railway,
becomes chair

1930

“Outer
Boulevard” (later,
Outer Drive)
started

1930

Community
Fund terminates
relationship with
Bureau



“The Sea is With the Ship”

Otto Kirchner, the first president of the Board of Trustees of the Detroit Bureau, died in July 1920, at the age of 74. Upson eulogized him as a “rugged promontory amongst the legal profession in Michigan.” In retrospect, Kirchner’s passing symbolized the end of the start-up phase of the Bureau. Although the Progressive Era had come to an end, governmental research was alive and well and the Detroit Bureau was ready to face a new set of challenges.

Changes at the Bureau

NEW BOARD LEADERSHIP. Ralph Stone was chosen as Kirchner’s successor. He may have been the most politically active of the early board members, his endorsement often sought by candidates for public office. He left the board in 1923 and was elected as a regent of the University of Michigan. He was succeeded by a newcomer to the board, Francis McMath, president of the Canadian Bridge Company, which was to participate in the construction of the Ambassador Bridge.

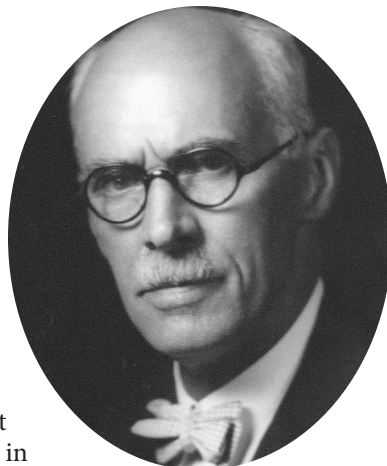
NEW STAFF. By 1920, most of the original staff members had departed or were about to. Upson, however, had no problem finding fine replacements. Two, in particular, stood out:



Chester E. Rightor National Civil Service Reform League until he joined the U. S. Army in World War I. Place joined the Bureau in 1919.

Chester E. Rightor, Chief Accountant, was an associate of Upson at the New York Bureau in 1911-12. He succeeded Upson as director of the Dayton Bureau in 1914, following tenures with the New York City Department of Finance and with Standard Oil in Bangkok, Siam (now Thailand.) He joined the Bureau in 1918.

Harrington (“Hap”) Place covered engineering and civil service. With a degree in civil engineering from Cornell, he taught the subject at the University of Missouri before spending several years administering civil service in Cincinnati and New York State. He was with the



Harrington "Hap" Place

In addition to the research staff, one more staff member who would make a significant contribution over the subsequent decade was librarian Louise Thompson, who joined the Bureau in 1923.

FINANCING THE BUREAU. In its early years, the Detroit Bureau had been supported largely by contributions from its board. Upson held that something as “cold blooded” as good government was unlikely to generate the support of a large number of contributors, but a broader base of funding was desirable, so in 1920, the Bureau trustees and the Detroit Community Union, the forerunner of today’s United Way, agreed to merge. The Bureau was seek-

1930

Bureau moves to 936 National Bank building

1931

Model City Charter developed in cooperation with National Municipal League

ing stable funding and the Community Fund was looking for leadership in fundraising.

This arrangement led to a backlash organized largely by interests that had been affected by the competitive bidding process promoted by the Bureau. They challenged the Bureau's status as a "charity," a charge that would be levied against the Bureau repeatedly over the next several years. A compromise was reached, whereby the Bureau would remain in the Fund but receive only specifically designated contributions. It was an arrangement that would provide the Bureau with an annual budget of about \$50,000 for the next decade.

A Decade of Progress

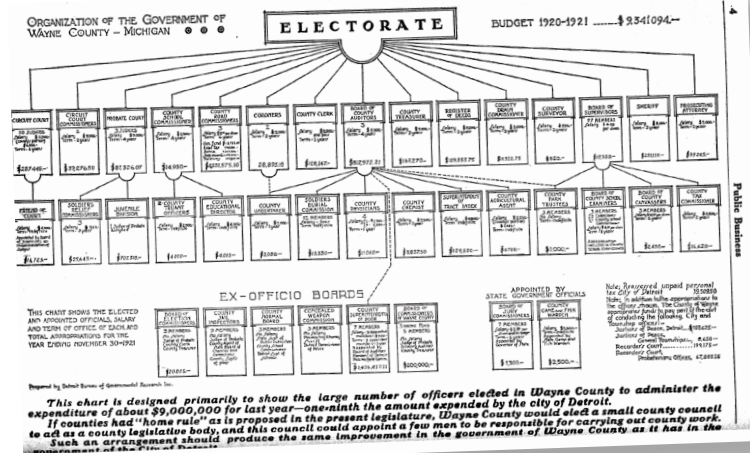
By the early 1920s, the Detroit Bureau was firmly established. In a way that no other organization could, it placed on the public agenda issues that would be dealt with far into the future. With each passing year, the Bureau made progress, even in the face of controversy. When asked to account for this, Upson often told this story:

A Trans-Atlantic voyager, impatient to get home, checked the ship's log each day. Once, after a severe storm, he was surprised to note that even more than the usual distance had been covered. In explanation, the ship's officer remarked: "The sea is with the ship."

THE BUREAU AND THE REGION. Much of the early work of the Bureau had been limited to the City of Detroit, culminating in the adoption of the new charter in 1918. But, not all local services were delivered by the City and not all services delivered by the City were inherently local: some had regional aspects as well.

Wayne County Reorganization. In 1918, the Bureau determined that archaic

county organization would frustrate the adoption of an executive budget in Wayne County. In that same year, a misappropriation of funds led to a public outcry and the Bureau looked at the possibility of a merger of the City of Detroit and Wayne County. The obstacles to such a change were great, however, and by February 1921, the



Wayne County organization, 1921

Bureau was supporting an amendment to the Michigan Constitution that would permit county home rule and a county executive. The proposal died in the Michigan Legislature, but six decades later, Wayne County would have its charter.

An Outer Boulevard. As early as 1915, city planners proposed what was essentially a beltway circling the city, roughly parallel to Grand Boulevard. The Bureau supported early acquisition of right-of-way for the Outer Boulevard to keep costs down and take advantage of land that had been granted to the City for the purpose by private citizens. The plan, however, went through many iterations and committees and it was not until

1931-1932

"Stone Committee" on city finances

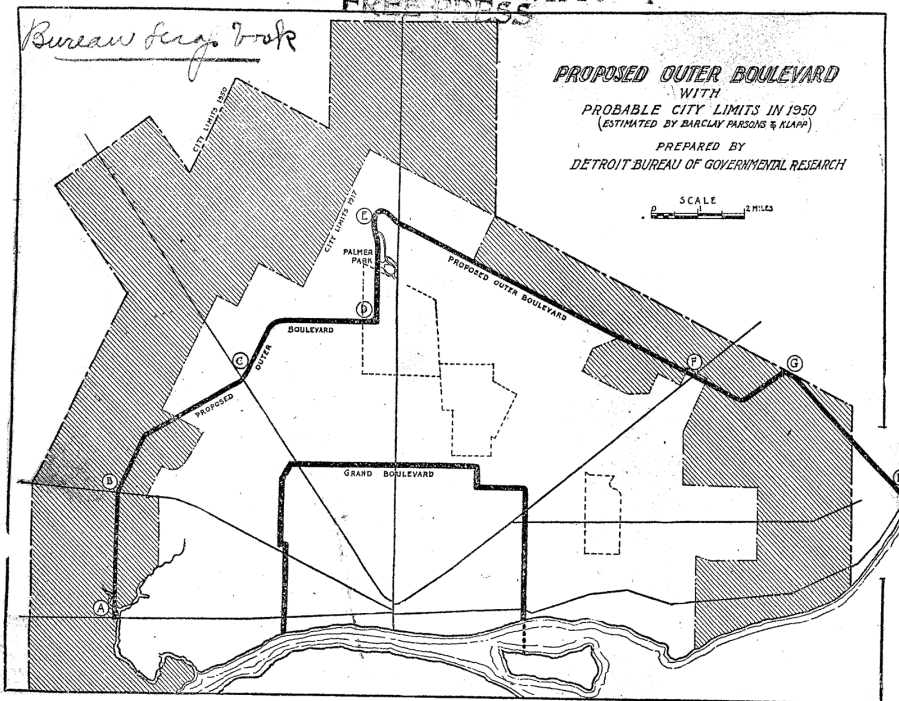
1932

William Volker founds Volker Fund in Kansas City

1933

Analysis of the Debt of the City of Detroit

ACQUISITION OF LAND FOR OUTER BOULEVARD AGITATED.



Map showing land acquisition for what would be known as Outer Drive.

1930 that what is now known as Outer Drive was begun. Upson called it “more the product of accident than design” and urged a planning process with more teeth in it.

The Detroit Metropolitan Area. In 1924, the Detroit Board of Commerce asked the Bureau to examine issues involved in metropolitan provision of services. The resulting report, *The Detroit Metropolitan Area*, laid out a plan for providing services on an area-wide basis to residents living in an approximately 20-mile radius of downtown Detroit, encompassing most of Wayne, Oakland, and Macomb Counties. Three services were selected as prime candidates for regional provision by a single authority: 1) water and sewer, extending Detroit lines; 2) rapid transit, extending in many directions, mainly in tunnels (subways); and 3) downriver port development.

Under the leadership of George H. Fenkell, Superintendent of the Detroit Department of Water Supply, extension of Detroit water and sewer services was begun, forming the basis of the system that exists today. An effort was made to create a subway system and an issue that would have authorized construction to begin was proposed for the April 1927 ballot but was pulled a month before the election because of concern for the \$135 million price tag. The Depression snuffed out any further thought of large-scale metropolitan projects, but the Bureau and CRC kept focus on intergovernmental issues into the future.

COPING WITH A GROWING CITY. The continued growth of the auto industry in the 1920s fueled growth in the City of Detroit, which grew in population from a million in 1921 to 1.4 million by 1928. The area of the City (about 28 square miles), which had been largely contained within Grand Boulevard in 1905, expanded to 80 square miles by 1920 and to its present size of 139 square miles by 1928. This meant expanding infrastructure, waste collection, and more work for the Bureau.

In addition, the advent of Prohibition in 1920 and Detroit’s proximity to Canada made it a prime candidate as a “port of entry” for illegal alcohol. Gangs rose to the occasion challenging the Detroit police not only to enforce the law, but also to maintain their integrity.

1933

Charles T. Bush, Charles A. Strelinger Co., becomes chair

1934

Bureau finances at all-time low; skeleton staff carries on work

1934

Charles Spain (Wayne University) announces creation of Detroit Social Science Research Council

1934-1935

Upson on leave from Detroit Bureau with U. S. Census Bureau

1934-35

J. M. Leonard interim director of Bureau in Upson's absence

1935

First report of Detroit Social Science Research Council

Upgrading Sewage Treatment. A 1909 treaty between the U. S. and Great Britain required Detroit to remove 95 percent of waste from sewage before putting it in the Detroit River. This would mean a large upgrade for a system built for 250,000, but, by the 1920s, serving over a million. The Bureau urged selling bonds to finance the \$13 million project but disputes over the method of treatment delayed construction until the 1930s, when federal assistance became available.

Sewer Construction. While sewage treatment upgrades were delayed, sewer construction continued apace. The Bureau determined that the inspectors assigned to the construction projects were incompetent political hacks and noted that the city charter should be amended to strengthen the Civil Service Commission.

Waste Removal. Waste collection had become the purview of ward bosses, who found political advantage in retaining horse-drawn wagons and excessive numbers of drivers to pick up solid waste. The Bureau consistently supported motorized collection, but Common Council would not place it in the budget until the ward system was eliminated.

Snow Removal. The Detroit Bureau's articles of association had been signed on a very snowy spring day and snow removal became one of its targets. Snow removal was handled in the same way as waste removal except, according to Upson, it "was further complicated by the fact that an immense amount of work had to be done in a very short period of time, frequently at night, and by casual labor." Three Bureau reports on snow removal from 1921 to 1923 helped to bring modern snow removal methods to Detroit.

Building a Strong Civil Service. Despite provision for civil service in the 1918 Detroit charter, the time-honored system of political appointment was slow in disappearing and Bureau efforts to eliminate it could get contentious.

In a 1921 report requested by the Detroit Civil Service Commission, Harrington Place found their procedures to be "lax" and made several recommendations that were adopted by the Commission, but when the report was released it contained a recommendation that struck close to home with the commissioners, namely, replace the three-member paid commission with either a three-member non-paid commission or one paid commissioner. A member of the Commission, Judge Arthur Lacy, attacked the report and the Bureau in a public meeting, asking Place, "Why can't the Bureau mind its own business?"

Maintaining a Qualified Police Force. In response to charges in 1926 that Detroit had become a "wide open town" for prostitution, Police Commissioner William P. Rutledge asked the Bureau to engage Berkeley, California, Police Chief August Vollmer to analyze the organization and operation of the Detroit department. His recommendations included a separate court for prostitution cases, but it was his citing of three municipal court judges as "one lazy psychopath" and "two favorites of the underworld" that stirred controversy just before he returned to Berkeley.

The Bureau also urged elimination of the office of elected constable, a constitutional office, with no specified duties.

EQUALIZATION OF ASSESSMENTS. Until the 1930s, the property tax was a significant source of state revenue, which meant that property values needed to be assessed equitably across the state. However, as Upson noted, "Probably no activity of local government is so badly done as the assessment of real estate for purposes of taxation." In 1921, the Detroit Bureau determined that, partly as a result of Bureau efforts, property tax assessment in Detroit was done to a higher standard in Detroit than out-state, thereby resulting in higher assessments and correspondingly higher property taxes. It recommended statewide equalization of assessments to solve this problem.

A FOCUS ON THE STATE. Although it concentrated its efforts on the Detroit region, the Bureau recognized the significance of state government and began to examine state issues closely.

State Organization. In March 1920, the Bureau issued the first of what would be many studies of state organization, *Analysis of Michigan State Government Organiza-*

tion, which made several recommendations, notably:

- Making the governor responsible for the administration of state government through the power of appointing and dismissing all administrative officers.
- Putting all state agencies having to do with the same general problem or function in departments responsible to the governor.
- Providing for an independent, elected state auditor.
- Providing for a single budget commissioner.

In 1921, the state began a reorganization process following the Bureau's recommendations and in March 1922, the Bureau was able to report "good progress," but noted that there were still too many elected state officials, which could be remedied only by constitutional change.

State Ballot Issues. In November 1921, the Detroit Bureau analyzed the issues on the November 7 statewide ballot (a state income tax, expanded use of eminent domain, and port development). This was the first in what would become a long series of ballot issue analyses, which have helped to define CRC.

CONTINUING INTEREST IN HERMAN KIEFER HOSPITAL. In 1929, a tabloid, the *Detroit Daily*, created a firestorm by attacking the contagious disease unit of the



Herman Kiefer Hospital

newly expanded Herman Kiefer hospital. The Bureau examined the massive hospital then and in 1931 and concluded that the charges were "entirely unwarranted and cannot be substantiated" and that "the hospital is rendering a service of outstanding merit to the City of Detroit and vicinity."

THE FUTURE OF GOVERNMENTAL RESEARCH. In 1927, the Bureau launched a 14-lecture course in municipal administration at the evening school of the College of the City of Detroit. The lecturers were a mixture of Bureau staff and top-level city administrators. The course was well received and led to a long relationship between the Bureau and what was to become Wayne State University.

By 1929, the Bureau was riding a crest. It had a stable base of funding, widespread community support, an experienced, respected staff, and a growing national reputation. It was in an excellent position to continue to pursue some of the more difficult issues with which it had begun to deal during the 1920s.

Unfortunately, the sea was no longer with the ship.

Sept. 1935

Wayne University School of Public Affairs and Social Work announced; Upson is Director

1936

Bureau and new school first located at 4841 Second Ave.; later move into offices at 5135 Cass

1936

Experiments in the Mental Testing of Detroit Policemen released.

1937

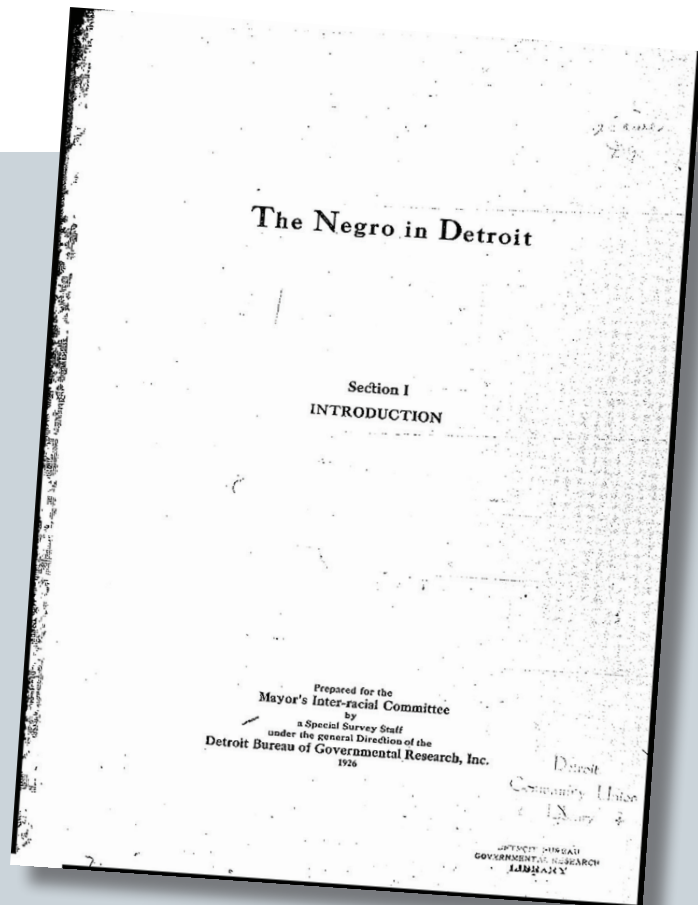
Exemptions of
Homesteads
from Taxation

1937

Alfred P. Sloan
founds Tax
Foundation in
New York City

1937

Henry Sheldon,
realtor, becomes
chair



The Negro in Detroit

Among those coming to economically vibrant Detroit after the Great War were African Americans, whose numbers rose from 10,000 in 1918 to 80,000 in 1925. In an era of residential segregation, this meant that the black population had two choices: Try to fit into increasingly crowded ghettos, such as Black Bottom (so named by the French settlers for its rich, black soil) or move into all-white areas, where they were unwelcome. They did some of each.

In reaction to the influx of immigrants, which, in addition to blacks, consisted of large numbers of Catholics and Jews, the Ku Klux Klan saw its numbers rise from about 3,000 in 1915 to 20,000-30,000 by 1925.

In September 1925, Dr. Ossian Sweet, a Howard University medical graduate, and his family moved into a house in an all-white neighborhood near Black Bottom. Almost immediately, they came under attack by several hundred whites, one of whom was killed by gunfire from the house, where Sweet had assembled a group of friends and relatives to defend his home. The eleven people in the house were arrested and charged with murder.

The National Association for the Advancement of Colored People immediately contacted noted defense attorney, Clarence Darrow, who agreed to take the case, which was heard during November before Recorder's Court Judge Frank Murphy. Ultimately, the defendants were to be tried separately and the jury returned a verdict of not guilty in the case of the first defendant. None of the other defendants was tried.

The *Sweet* case created a sensation that underscored the racial tensions in the city. In response, Mayor Smith appointed a biracial Mayor's Inter-racial Committee.

Selected by the Catholic Smith to chair the committee was the young Protestant pastor of the Bethel Evangelical Church, Reinhold Niebuhr. Niebuhr had been sent to Detroit in 1915 by the German Evangelical mission and had taken its congregation from 66 to 700. He was an out-



Photo Detroit Free Press Archives

Dr. Ossian Sweet (far left) and his lawyer Clarence Darrow (far right)

spoken opponent of the KKK, calling it “one of the worst specific social phenomena which the religious pride of a people has ever developed” and was a strong supporter of Smith in his 1925 mayoral race against George Bowles. He also was a critic of Henry Ford’s attitudes toward Jews. Niebuhr would leave Detroit in 1928, becoming a professor at the Union Theological Seminary in New York City, where he would stay for the next 32 years. Over that time, he became one of the leading theologians, ethicists, and public intellectuals of the 20th century. He was awarded the Presidential Medal of Freedom in 1964.

To provide a factual basis for its recommendations, the committee commissioned a survey of the conditions of the black population in Detroit. The Community Fund agreed to provide \$10,000 to finance the study on one condition—that it be conducted under the general supervision of the Detroit Bureau of Governmental Research.

In August 1926, the resulting report, *The Negro in Detroit*, was delivered. It was massive, covering a wide range of issues, including business, housing, education, health, recreation, crime, and community organization. According to the Bureau, it gave “a fair and more adequate picture of race conditions in the city than has been available hitherto.”

The report, while mildly patronizing by the standards of 90 years later, consistently recognized the role of poverty, racism, and lack of education in the lives of the Detroit black population. Many of the conclusions have a contemporary ring. For example:

There is evidence that in many cases Negroes are treated with undue severity, not to say brutality, by the police. The assumption among many police officers, that Negro criminals are a special peril to the life of the officer and that consideration of self-defense, therefore, justify unusually precipitate [*sic*] action in firing upon Negro criminals, is not borne out by the facts. This unjustified assumption has resulted in needless loss of life on occasion of Negro arrests.

The report was a watershed in understanding the problems of race relations in Detroit.

1937

Upton on Michigan Tax Study Commission

1938-1945

Just a Second becomes principal Bureau publication

1938

Federally subsidized program of training for public employees initiated

“A horrible depression”

On Wednesday, October 30, 1929, the immortal headline of the entertainment daily, Variety, read, “Wall St. Lays an Egg.” The Great Depression was under way. It would have devastating consequences not only for the nation, Michigan, and Detroit, but also for the Detroit Bureau of Governmental Research.

THE “STONE COMMITTEE.” The collapse of the economy made a precarious financial condition in Detroit desperate.

In December 1929, in a talk before the Detroit Real Estate Board, Bureau founder Ralph Stone urged a regimen of prioritizing city budgeting and spending. He recommended ranking services according to their significance as follows: 1) Public safety; 2) Health and welfare; 3) Education; 4) Fire protection; 5) Transportation; 6) Streets; 7) Recreation; and 8) Administration. This prioritization was to be incorporated in a balanced budget. Upson and Rightor had been instrumental in developing the proposal.

Days later, Stone received a letter from the City Council inviting him to form a small committee to make recommendations before the budget was adopted in March 1930. Leading community organizations were enlisted to constitute a Com-

mittee on City Finances, known from then on as the “Stone Committee.” The committee soon urged a significant downsizing and reorganization of city government, collection of delinquent property taxes and “rigid economy” in Wayne County government.

By the following spring (1931), Upson was able to comment that “it was on the basis of the operating budget being reduced accordingly that the City was able to end its fiscal year without a deficit.” Relations between Mayor Murphy and the City Council deteriorated, however, and so did the condition of the budget. Stone was selected to become an intermediary between the City and an increasingly nervous Wall Street. In February 1932, with Stone’s agreement, the banks refused loans to the City until the City and the Board of Education (which was then part of the City) agreed to keep expenditures within available revenues. The resulting plan involved a cut of \$12.5 million, or about 25 percent of the city budget, and a five-year program of “financial rehabilitation” that was acceptable to the banks.

The banks then provided the credit to the City. Upson publicly predicted that there would be no default, but privately drew up a list of steps that might be taken by a financial receiver.



1938

Bureau opposes use of citizen initiative in administrative matters

All through 1932, the Council and the Mayor were at odds over implementing the plan and what little confidence remained in Detroit finances came to an end. In February 1933, the City's credit collapsed and it was unable to sell tax anticipation notes necessary to raise the cash needed to meet its outstanding obligations.

The default brought the work of the Stone Committee to an end and it was not until New Deal money began to flow into the City in the summer of 1933 that the situation began to ease.

“OUTDOOR RELIEF” AND OTHER STUDIES. Although the Stone Committee absorbed a great deal of Bureau resources, other projects were undertaken. One directly related to the economic downturn was *Outdoor Relief as Administered by the Detroit Department of Public Welfare*. (“Outdoor relief is a term going back to the Elizabethan Poor Law of 1601 and refers to non-institutional welfare, such as food.) It was written for the Detroit Bureau in 1930 by Charles C. Stilton, who described:

A horrible depression, with its roots deep down in the social structure, so shattered economic stability that relief could be expected to alleviate conditions only in small part.

Other studies related to tax delinquency, a local sales tax, and an analysis of City of Detroit debt.

THE COMMUNITY FUND ENDS ITS RELATIONSHIP WITH THE BUREAU. In January 1930, the Community Fund announced that it would part company with the Detroit Bureau. The news release said that:

Hereafter, the Bureau will raise its money separately from the Community Fund, thereby assuring Fund contributors that no part of their pledge will go to the Bureau.

Upson responded that the Community Fund was now free to make its appeal “on a strictly philanthropic basis” and the Bureau could make its appeal to those with a keen interest in government reform. The decline in income from \$52,049 in 1931 to \$16,175 in 1934 reflects how well this worked for the Bureau.

THE BUREAU REACHES ITS NADIR. The 1933-34 annual report of the Detroit Bureau opened with the following:

The period covered by this report—May 1, 1933 to April 30, 1934—represents the lowest point in the history of the Bureau, both in financial support and in number of staff. During this period the staff consisted of the Director, one senior staff member, one junior and the stenographer. This small staff was later reduced by a leave of absence granted the Director to conduct a C. W. A. [Civil Works Administration] project for the U. S. Bureau of the Census during the latter part of the year, and the resignation of the junior staff member to accept another position.

The Bureau budgets had been consistently lowered for the past five years, and on February 15, 1932, when the two major banks closed, it was placed on a basis which permitted only a skeleton organization. The Trustees and the Director agreed that the agency should be maintained intact until a return of normal economic conditions permitted a reorganization and redirection of emphasis

So there it was. Almost overnight, the staff that had built the Detroit Bureau was gone. Chester Rightor became Detroit City Controller, Harrington Place became a consulting sanitary engineer, and Louise Thompson became a librarian with the Community Fund. Even Upson, while still officially with the Bureau, was available only sporadically, his time being spent in Washington studying the collapse of property tax collection in the United States.



Bureau's acting director in 1934-35, James Montrose (J. M.) Leonard.

May 1939

Michigan Public Expenditure Survey (MPES) formed

1939

MPES trains field staff and organizes local taxpayer associations

1939

Alfred C. Marshall, Detroit Edison, becomes chair

1940

MPES reports 498 organizations allied in a program of tax education

The remaining staff was able to complete a number of projects that had been begun when the Bureau was fully staffed, including *School Organization in the Detroit Metropolitan Area*, *Organization and Cost of County and Township Government*, among others. One notable project, *Government of the Detroit Metropolitan Area*, won the award for “Most Noteworthy Piece of Research” from the Governmental Research Association in 1934, the second year of that competition.

Despite this production, the Detroit Bureau was in steep decline. In order to survive, it would need to reinvent itself—and it would have help in doing so.

1940

MPES agrees to employ Detroit Bureau research

1941

Detroit Bureau submits An Economy Program for Michigan to MPES

1941

Upson detailed to find a new director for MPES

1941

Henry Steffens becomes new director of MPES



“A Vine-Covered Brown House”

Although Wayne State University traces its history to 1868, with the formation of the Detroit Medical College, the coalescence of schools that made it a recognizable university occurred largely in the mid 1920s and early 1930s. Until that time, it was essentially a junior college run by the Detroit Public Schools. Rapid growth of the City of Detroit, however, led to a correspondingly rapid increase in enrollment and in 1923 it became the City College of Detroit, a four-year institution. In 1930, the College of Medicine, School of Pharmacy, Law School, and Detroit Normal School were added to the City College, leading to talk about a full-fledged university.

Although revenues to the College were adequate before the Depression, budget cuts then became necessary and sparks flew in 1933 when the dean of the College of Liberal Arts attempted to reduce positions in the School of Education. The resulting kerfuffle pointed up the need for a position of higher authority to put a lid on such disputes. The Board of Education resolved the issue by forming Wayne University and placing in charge Dr. Charles L. Spain, Deputy Superintendent of Detroit Public Schools. (The new university, a part of the Detroit Public Schools, was headed nominally by Superintendent Frank Cody, but Spain was responsible for day-to-day operations.)



Dr. Charles L. Spain

The Detroit Social Science Research Council

The Detroit Bureau had had a relationship with the City College since 1927 and Lent Upson held that a community of interest existed between institutions of higher education and the Bureau that could be exploited if a formal relationship could be established.

The first step toward such a relationship came in January 1934, when Spain announced the creation of the Detroit Social Science Research Council, a collaborative effort between Wayne and the Bureau that would utilize Wayne faculty and students and Bureau staff to “conduct a series of important social and civic surveys,” covering such topics as population trends, migration of population away from Detroit, and state taxation.

Spain was named chairman of the new council, with Upson and Jay Sherman,

1941
Bureau participates in effort to amend Michigan Constitution to streamline county government

1941
George D. Bailey, accountant, becomes chair

1942
Lansing office of MPES established in Hotel Porter

chairman of the Wayne University political science department, as vice-chairs.

The first studies of the Council included a study of tax delinquency in apartment houses and one of the English system of land taxation, released in May 1935 and carried out under the direction of the Bureau's new statistician, Rosina Mohaupt, the first female member of the Bureau research staff.

A New School is Born

The collapse of the finances of the Detroit Bureau together with a blank organization chart and a receptive administration at the new university presented a unique opportunity: The Bureau needed stability; Wayne University needed a school of public administration. Upson and Spain moved quickly.

Upson was in Washington during most of 1935, but he and Spain communicated and in the summer, the Bureau trustees concurred in a proposal by Wayne that Upson would serve as the Director of the new School of Public Administration and Social Work. The agreement also provided that the independence of the Bureau was not to be compromised; the Bureau and the School were to occupy joint offices; each was to be responsible for its own employment, compensation, and activities; and the findings and opinions of the Bureau were to be issued under the Bureau name. Joint projects would be published by the Bureau but be considered a joint responsibility.

Thus, a model had been established for continuing the work of the Bureau in the face of severe budgetary constraints: a small professional Bureau staff working in conjunction with Wayne faculty and students would produce high quality research under the auspices of the Bureau and the Social Sciences Research Council. It was a model that would carry the Bureau for a decade.

A HOME FOR THE BUREAU AND THE SCHOOL. The first location of the Detroit Bureau and the School was in a narrow three-story building at 4841 Second Boulevard, immediately west of Old Main. This is the oldest structure occupied by the Bureau that is still standing. It was soon recognized that these quarters were too cramped and that a new location was desirable. The new location was found in a 19th century residence at 5135 Cass Avenue, where the north portion of State Hall now stands. (It was exactly one block west of the Maccabees Building, in which was

1942
Bureau suggests
unicameral
legislature

1942
Bureau and
MPES issue joint
reports on state
organization

1943
Bureau supports
removing
independence of
State Highway
Dept.



Walter P. Reuther Library, Archives of Labor and Urban Affairs, Wayne State University
5135 Cass Avenue, the Bureau's home from 1936 to 1944.

located the studios of WXYZ, the home of the most popular radio show of the day, *The Lone Ranger*.)

The Bureau and the School moved into the building in December 1936. Upson declared that it was a “two-story, vine-covered brown house” with 12 rooms—“a very much nicer building.”

The Bureau had found a home, both physical and professional, that would serve it to the end of World War II.

RESEARCH UNDER THE NEW MODEL. Upson, in reviewing this period, concluded that the expansion of government and the new relationships between the state and its local units resulting from the Depression confirmed that “research in local government, to be effective, must be on a much wider scale than was originally projected” by the previous Bureau model. A sample of the reports produced by the Detroit Bureau and the School provides an indication of the new direction the research was taking.

Such reports included, *Experiments in the Mental Testing of Policemen* (Nov. 1936); *Narcotic Addiction as a Factor in Petty Larceny*; *American Experience With Unicameral Legislatures*; and *Population* (1930 Census) and *Other Social Data for Detroit by Census Tract* (May 1937). The last report acknowledged a grant from the Earhart Foundation, apparently the first of many grants to the Bureau and CRC from that foundation.

CHANGES IN THE BUREAU BOARD AND STAFF. Some of the founding members of the Detroit Bureau Board—Clark, Stone, Miller, and Lewis—were still serving 20 years later, bringing continuity and support to the Bureau in its darkest hours.

New leadership came forth as well. Francis McMath was succeeded in 1929 as board chairman by Frank H. Alfred, president of the Pere Marquette Railroad, who served until 1933. He was followed by tool and machinery dealer Charles T. Bush, from 1933 to 1937, and financier Henry Shelden, from 1937 to 1939. In 1939, Alfred C. Marshall, head of Detroit Edison, became chairman, serving until 1941. Marshall was credited with assuring that adequate generating capacity was available to power the defense industry in the critically important Detroit area during the War. Following Marshall was accountant George Bailey, president of the American Institute of Certified Public Accountants, who later merged his firm with the established firm of Touche, Niven, and Smart to form Touche, Niven, Bailey, and Smart.

Two significant staff members in addition to Upson, James Montrose (J. M.) Leonard, the Bureau’s research director who had served ably as interim director while Upson was working with the Census Bureau, and statistician Rosina Mohaupt, were Laurence V. Michelmores and Richard A. Ware.

Michelmores, also an instructor in the Wayne Department of Government, was in charge of the Bureau training program for public employees. He married Bureau secretary Janet Hunter and moved to Washington in 1942 to join the U. S. Bureau of the Budget. In 1946, he joined the staff of the newly formed United Nations, rising to Deputy Director of Personnel. In 1963, he was selected by U. N. Secretary General U Thant to become Commissioner General of United Nations Relief (UNRWA) for Palestine Refugees in the Near East, a post he held until 1972.

Ware, a Staten Island native and Lehigh University graduate, joined the Bureau in June 1941 as a research assistant. He would get his master’s degree in public administration under Upson in 1942. He spent the war years with the Lend Lease Administration and then with the U. S. Army Air Force. Ware would return to the Bureau in 1946 and play a major role in the affairs of the organization for over 30 years.

Wayne University faculty associated with the Social Sciences Research Council included George Husband, Donald Hecock, E. S. Wengert, and Charles W. Shull.



United Nations
Photo Library
**Laurence V.
Michelmores**

1943

Bureau supports uniform financial reporting for local governments

1943

MPES and Detroit Bureau agree to eliminate overlap in the two organizations

1944

Volker Fund agrees to support National Training School for Public Service at Wayne University, with Upson as director



Years of Flux

1944

Upson retires from Detroit Bureau; succeeded by Loren B. ("Red") Miller



1944

Bureau offices move to 1050 Buhl Building

1944

Clifford B. Longley, Bodman Longley, becomes chair

Upson had long been aware that the issues pursued by the Detroit Bureau for its first quarter century, namely, efficiency and accountability in Detroit area government, were not going to sustain it in the future. The low-hanging fruit of budgeting, accounting systems, competitive bidding, and so on, had largely been harvested. It was also clear that governmental reform, to be truly successful, would have to involve state government.

EQUITY. The Bureau had dealt with issues of equity on and off for many years, but in the late 1930s and early 1940s, equity became a continuing concern for Bureau research. Upson was appointed to a state tax study commission by his old friend Governor Frank Murphy and such issues as tax incidence and appropriate distribution of taxing authority between the state and its local units were essentially issues of equity.

Other studies focused on fairness concerned distribution of state highway funds that favored rural areas and overrepresentation of rural areas in the Michigan House of Representatives.

STIRRINGS OF A STATEWIDE ORGANIZATION. The Detroit Bureau had been concerned with Michigan state government as far back as 1919, when it was instrumental in installing the first state executive budget system, and in 1921, when it studied state organization. In 1929, there had been a proposal for a Bureau "man in Lansing," but the Depression quashed this idea. But, by 1938, proposals for a statewide research presence had gained traction.

The Michigan Public Expenditure Survey

THE TAX FOUNDATION. In 1937, led by Alfred P. Sloan, newly elevated to chairman of the board of General Motors and Donaldson Brown, GM financial vice president, a group of business leaders, including representatives of Standard Oil and Johns Manville, founded the Tax Foundation, an organization to "monitor the tax and spending of [primarily state and local] governmental agencies."



Alfred P Sloan

The program of the new organization consisted of research conducted by the Tax Foundation and advocacy carried out by state-level creations of the Tax Foundation, known as Public Expenditure Surveys.

A PUBLIC EXPENDITURE SURVEY FOR MICHIGAN. Given the General Motors roots of the Tax Foundation, it is not surprising that among the first proposals to create a Public Expenditure Survey was one aimed at Michigan. In 1938, such a proposal was made to William Knudsen, president of General Motors, Bureau board members George Bailey and Clifford Longley, and Willis Hall of the Detroit Board of Commerce. Upson indicated cautious support for the proposal.

To finance the activities of the Survey, a pass-through organization, the Michigan Council for Tax Research, was created in early 1939. Its first officers were George Bailey, president; Walter McLucas, vice president; and Clifford Longley, treasurer. All three were also trustees of the Detroit Bureau.

In May 1939, staff of the Tax Foundation visited Detroit and made a presentation to

the Council for Tax Research, which laid out the steps to be taken in establishing the Michigan Public Expenditure Survey (MPES): Establish local taxpayer associations; seek cooperation from fact-based research organizations, such as the Detroit Bureau; establish a staff headquarters; acquire training from Tax Foundation staff; and conduct local expenditure surveys by the local associations.

A budget of \$48,300 was set for the first year and the headquarters were located in the Buhl Building in downtown Detroit.

During 1939 and 1940, the MPES engaged a field staff, organized 34 local taxpayer associations, established a newsletter, and developed relationships with numerous civic and local associations.

A STATEWIDE TURN FOR BUREAU RESEARCH. Meanwhile, Upson was becoming concerned that the local associations, which were slated to be the nucleus of MPES activities, would a) base their programs only loosely on fact-based research and b) favor out-state interests to the detriment of the Detroit area. In a September 1940 memorandum to Bailey, McLucas, and Longley, he emphasized the need for factual research if the MPES was to be effective. To fill this need, he recommended that the Detroit Bureau extend its research agenda to include both projects that would benefit the entire state and administrative surveys of local units in out-state Michigan.

It did not take the Bureau long to shift its research toward state issues. In January 1941, the Bureau produced *An Economy Program for Michigan: A Memorandum to the Michigan Public Expenditure Survey*. Couched in terms of readying Michigan government for war, the Economy Program recommended:

- Uniform accounting and reporting for local units;
- Streamlined purchasing;
- Consolidated tax collection;
- Restructuring state aid to local units to improve equity and encourage efficiency;
- Greater efficiency in the construction and maintenance of highways;
- Consolidation of state boards and commissions.

This report, intended to shape the agenda of the Michigan Public Expenditure Survey, was approved immediately by the MPES.

The Economy Program was only the first of several reports to be issued over the next two years dealing with state issues. Others to follow included: strengthening the state civil service system; adopting a true executive budget; improving the state accounting system; improving motor vehicle registration; centralizing the collection of state taxes, and “taming” the voter initiative. (The initiative had been almost an article of faith in the early years of civic reform, but a large number of ballot issues in the late 1930s led Upson to conclude; “Unhappily, the initiative has been used largely by minority pressure groups to further their own ends at the expense of the general public.”)

THE PUBLIC EXPENDITURE SURVEY ENCOUNTERS DIFFICULTIES. In April 1941, despite positive reports from the MPES staff, board members Alfred Marshall and Oscar Webber supported dissolution of the Council and the MPES, on the grounds that “no great success had been achieved up to the present time.” Although dissolution did not occur, an advisory committee, which included Upson, recommended that the MPES restrict itself to research and that efforts to foster new local taxpayer associations be terminated. Upson was tasked with finding a new director to lead the transition to a new paradigm. He recommended a member of the first Bureau staff, Henry Steffens, who was then hired in September 1941.

Steffens soon reported that wartime pressures dictated increased vigilance respecting government spending, but that the MPES should not be seen as obstructing government activities during the War. He also followed through on supporting long-standing Detroit Bureau positions on state government organization and uni-



**George
Bailey**

1945

Bureau Notes become principal Bureau publication

1945

Bureau supports elevating Wayne University to state university

1945

MPES proposes creation of regional offices

form reporting for local units. It became apparent that, while MPES was attempting to establish its own identity, there was substantial overlap with the agenda and operations of the Bureau.

To address this problem, in June 1943, the board of the Council for Tax Research adopted an agreement between the Bureau and the MPES, which provided that the boards of the two organizations should consult on their respective agendas; that the Bureau should do research and not engage in “militant advocacy;” that the Bureau should acquire quarters adjacent to but not connected with the MPES; and that the two organizations should carry out their operations so that there “would be no misconception in the public mind as to the independent character and spheres of activity of the two organizations.”

Although the arrangement was supposed to delineate the roles of the Bureau and the Survey, it was clear that the independence “in the public mind” of two organizations with similar research agendas, common financial support, and overlapping boards would be difficult to maintain.

1946

Little progress in establishment of MPES regional offices

1946

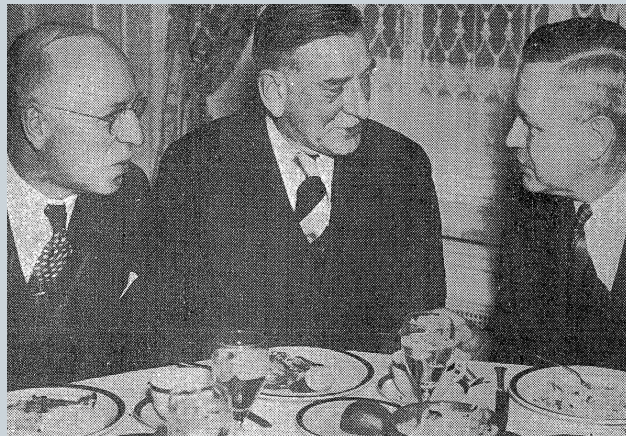
MPES urges fair distribution of state-shared revenues to local governments

1946

Bureau offices move to 153 E. Elizabeth St.

1946

Amendment to divert sales tax revenues to local governments opposed



Charles T. Bush (l to r,) Lent D. Upson and Clarence Bush in 1942 discuss Wayne County.

Another Effort to Restructure Wayne County

In 1941, scandals in Wayne County government were disclosed by Wayne County Prosecutor William E. Dowling and one-man grand juror, Homer E. Ferguson, confirming the Bureau position that the structure of county government was inimical to accountability. In early 1942, a Citizens Committee on Home Rule was created with members from the Detroit Bureau, other civic organizations, and, consonant with its new stance of supporting issues of interest to the Detroit area, the Michigan Public Expenditure Survey.

The goal was an amendment to the Michigan Constitution that would make possible a single county executive and a smaller board of supervisors. Despite the heavyweight support of the proposal, opposition from county employees, out-county residents, and conservative out-state voters was sufficient to sink the proposal in the November election. It would be another 40 years until Wayne County government would see reform.

The Volker Fund and the Coming of the National Training School for Public Service

THE VOLKER FUND. William Volker was born in Hanover, Germany, in 1859 and settled with his parents in Chicago when he was ten. Young Volker worked his way up in the picture framing and molding business and, when he was 23, moved to Kansas City, Missouri, to form his own venetian blind and home furnishing business. By the turn of the century, he had made a fortune and began to make anonymous contributions to various local charities.

In 1932, Volker founded the William Volker Fund with the purpose of aiding the needy, reforming Kansas City health care and education, and opposing the political machine of T. J. Prendergast, in the tradition of the civic reformers of the Progressive Era.

RED MILLER. In opposing the Prendergast machine, Volker was assisted by his nephew, Harold W. Luhnnow, who had developed a relationship with Detroit Bureau alumnus, Loren B. (“Red”) Miller. Born into a lumbering family in Michigan’s Upper Peninsula in 1906, Miller received his bachelor’s and master’s degrees in government, with a Phi Beta Kappa key, from the University of Michigan. Miller did field work for the Detroit Bureau in 1928, leaving for a short stint in Erie, Pennsylvania, before returning to the Bureau in 1929. He left again in 1933, when the dramatic reduction in Bureau staffing occurred, and headed to Newark, N. J., where he became assistant director of the Citizens Advisory Committee of Newark, then, in 1937, director of the Newark Bureau of Municipal Research. Miller was a civic reformer, a governmental researcher in the Upson tradition, and, significantly, a libertarian. Luhnnow found Miller’s combination of hostility to machine politics and espousal of free market economics attractive. In 1940, Miller moved to Kansas City to head the Volker-funded Kansas City Civic Research Institute.

THE NATIONAL TRAINING SCHOOL. In late 1943, *Detroit Free Press* editor Malcolm Bingay, wrote a series of editorials that pointed out that the “best brains in the country” were going into business and the professions and not into public service and that the “science of government” was being neglected in the schools.

Upson sent the editorials to the Volker Fund, probably via Red Miller, and the Fund responded with a grant to create the National Training School for Public Service, not coincidentally, the same name as the school associated with the New York Bureau and attended by Upson 30 years previously. Announced on February 19, 1944, the School was to begin operations that September in conjunction with the Detroit Bureau and Wayne University. It anticipated scholarships for 10 to 15 students at \$100 per month each. The curriculum would be “intensive” and consist of public administration and the organization and function of citizen organizations. The grant was \$37,200 per year for an experimental three-year period.

The director of the school would be Lent Upson. Upson, it was announced, would soon be stepping down from the Detroit Bureau of Government Research, to be succeeded by Red Miller, who would also be associate director of the Training School.

“UP” LEAVES THE BUREAU. The last Bureau publication to bear the name “Lent D. Upson, Director” was *About Budget Balancing* on March 27, 1944. Almost as if to put an exclamation point on the changing of the guard, the Bureau offices moved from the “vine-covered brown house” on Cass Ave. to the Buhl Building in downtown Detroit, next door to the Michigan Public Expenditure Survey. A new Board of Trustees was installed, which, for the first time in 28 years, contained no founding member of the Bureau.



William Volker

1947

Bureau begins series of public opinion polls on state and local issues



1948

Bureau offices move to 810 Farwell Building at 1249 Griswold St.

1948

Bureau drafts complete state budget law



A New Organization on the Horizon

The new head of the Detroit Bureau, Loren B. Miller, was an engaging personality with an infectious sense of humor and a taste for fine food and drink. In 1935, Upson assessed Miller in this way:

Miller has a chain-lightning mind, a pleasing personality, and can be counted on to do in a workmanlike way any job that he undertakes.



Materials concerning the life, career, and writings of Red Miller are much sketchier than they should be. Sometime between his death in May 1958 and the arrival of his successor, Robert E. Pickup, in February 1959, Miller's widow, Laura, a member of the CRC staff with access to its files, for reasons apparently known only to her, destroyed virtually every document pertaining to her late husband.

Loren B. Miller

MILLER THE LIBERTARIAN. More than any other chief executive of the Detroit Bureau of Governmental Research or the Citizens Research Council, before or since, Loren Miller led a double life. He was head of the Bureau and guided its transition to statewide status as the Citizens Research Council of Michigan. But, he is equally well-remembered for his tireless promotion of libertarianism in the mold of the Austrian school of economics. During the 1930s, he had introduced Harold Luhnow of the Volker Fund to his philosophy and Luhnow proceeded to take the Fund in a new direction. The Fund then provided grants to a wide range of libertarian scholars and distributed their works. In 1947, Volker financed Miller's attendance at the first meeting of the Mont Pelerin Society in Switzerland. Founders of the Mont Pelerin Society, in addition to Miller, were Ludwig von Mises, Friedrich Hayek, George Stigler, and Milton Friedman, the last three of which were to become Nobel laureates.

MILLER ARRIVES AT THE BUREAU. Red Miller took the reins at the Bureau in April 1944. Perhaps the most noticeable initial change was a new Board of Trustees. The founding members still alive became "advisory trustees." George Bailey, who had headed the board since 1941, became treasurer, while Clifford Longley became president. Both Bailey and Longley retained their association with the Council for Tax Research and the Michigan Public Expenditure Survey. A significant new member was Meyer L. Prentis, who had represented William Knudsen of General Motors at meetings of the Council for Tax Research. Prentis joined the Bureau Board in 1944 and became second vice-president in 1945.

At first there was no appreciable alteration of the subject matter or tone of Bureau

1948
Departments of administration for both state government and Detroit proposed

1948
MPES finances become critical

1949
Identification of rural bias in state highway funding

1949
Bureau public polling ends

publications. The first issued under Miller was entitled “The 1944-45 City Budget” and was indistinguishable from Upson products. By early 1945, however, the Bureau had introduced Bureau Notes, the first issues of which turned out to be essentially signed editorials by Miller or reproductions of other editorials, for example, “They Don’t Soak the Rich in Soviet Russia” or “Shades of Dr. Goebbels,” which likened a City of Detroit explanation of a proposed amendment to the Michigan Constitution to Nazi propaganda.

SUPPORT FOR A WAYNE STATE UNIVERSITY. By late 1945, returning G. I.s were flooding institutions of higher education, including Wayne University. The Bureau pointed out that the rising enrollments were outstripping local resources and recommended that Wayne should be transferred “lock, stock, and faculty” to the State of Michigan. Governor Harry Kelly then supported a \$2 million state appropriation to Wayne, beginning what would be a 10-year journey to status as a state university.

SALES TAX DIVERSION. The Michigan sales tax, adopted in 1933, had proved to be a productive source of state revenue and the state came out of World War II in a strong budgetary position. Local units, on the other hand, found that the property tax had not performed as well and were struggling financially.

To relieve the pressure on local units, a ballot initiative was proposed in 1946 to amend the Michigan Constitution to divert 2 cents of the 3-cent sales tax to public schools and ½ cent to general purpose local units.

The Bureau analysis of the sales tax diversion proposal was almost completely negative. The principal objections were that 1) it would trade a local financial problem for a state problem; and 2) the power to spend should not be divorced from the responsibility for raising the revenue.

Despite these concerns, the voters approved the amendment and opened the way to a robust state revenue sharing program. And, true to Bureau projections, the state was to suffer one budget crisis after another for the next decade.

THE BUREAU DABBLES IN OPINION POLLING. In late 1945, Miller announced his intention to conduct public opinion polls in Detroit, arguing that “measurements of public opinion are facts just as much as per pupil costs, increases in municipal budgets, or cubic yards of refuse collected.” He thought that public opinion could provide a measure against which government performance could be assessed. Shortly into this new departure for the Detroit Bureau, however, he began to express some misgivings:

We have learned that the process of obtaining an accurate cross-section of the public required polling some groups of rather questionable intelligence. Valid replies from the low intelligence groups demand questions with simple concepts, thus limiting the area and scope of topics covered.

This assessment may be what caused the Bureau to delay its polling initiative until 1947, while it came up with panels of business leaders, newspaper editors, and “citizens.” This may have reduced the influence of the “low intelligence groups” on the results, but it also robbed the polls of any claim to representativeness.

Nevertheless, the Bureau went ahead and, over the next two years, produced polls on various topics, including favorability ratings of the Governor, assessments of the performance of various city functions, preference for taxes, and reaction to federal deficit spending.

Although originally touted as an important tool in holding governmental officials accountable, Bureau polling ended less than two years after it began. Although the reason for discontinuing the polls was not stated, it is likely that they added little to the understanding of complex public issues.

MILLER ESPOUSES A NEW BUREAU “TASK.” Under Upson, the Detroit Bureau had taken the stance that its job was to inform the electorate and help facilitate citizen control of government regardless of the political philosophy of those in office. Miller, with his libertarian disdain for central planning and government regulation, felt constrained by this approach and, in 1948, he wrote that, with respect to “economic-political philosophy:”

1949

MPES dissolved; assets transferred to Detroit Bureau

1949

Bureau begins work on “Little Hoover” committee

June 1951

The Bureau changes its name to Citizens Research Council of Michigan

This phase of Bureau activity has assumed paramount importance. We now consider it one of our basic tasks to be alert to the impact of economic-political philosophies on present-day governmental affairs—and to do something about it. The Bureau is one of the few citizen agencies aware of these dangerous trends. Many are still concerned only with the mechanics of government; others are half-resigned to, or compromise with, these trends.

1951
Council
Comments
becomes
principal CRC
publication

1951
Little Hoover
reports issued

1952
Meyer Prentis,
General Motors,
becomes chair

1951
Lansing office
of CRC is at 518
Hotel Porter

BUREAU POST-WAR FINANCES AND STAFFING. Post-war Bureau finances were stable but straitened. In March 1946, Miller noted that: “Years ago, the Bureau had larger staffs than we can maintain today. Certainly our problems have expanded since then. At the same time, we face increasing costs and probably increasing problems in fund raising.” On the bright side, he said, “Staff additions now being made of young men returning from service will, however, materially help us out.”

One of the young men to whom Miller referred was undoubtedly, Dick Ware. Ware, who left the Bureau in 1941 to join the war effort, returned to Detroit in March 1946 to begin a ten-year run with the Bureau. Ware was on the same philosophical page as Miller and soon became the Bureau’s assistant director, as well as supervisor of training at Upson’s Training School, which housed the William Volker Program in Citizen Leadership and Public Administration. Under the guidance of Miller and Ware, participants, known as Volker Fellows, augmented the lean staff at the Detroit Bureau. Essentially, the role of the full-time Bureau staff was that of supervising the work of the Volker Fellows, who spent their non-class hours working for the Bureau.

CONTINUED MOVEMENT TOWARD STATE GOVERNMENT RESEARCH. In 1948 and 1949, partly to maintain the relationship established with the Michigan Public Expenditure Survey, the Bureau addressed three issues that would occupy it and CRC for many years to come:

- **State Reorganization.** In April 1948, the Bureau resurrected a previous position by recommending consolidation of state staff functions in a Department of Administration accountable only to the governor. This foreshadowed work it soon would do with the “Little Hoover” committee.

- **State Budget Analysis.** Also in 1948, the Bureau began a major series, Budget Backgrounds, which analyzed segments of the State of Michigan budget with many graphic presentations. Monitoring of the state budget became a staple of Detroit Bureau and Citizens Research Council research.

- **Highway Finance.** In January 1949, the Bureau identified a problem that persists 65 years later, namely, the inequitable and inefficient distribution of state highway dollars, skewed to rural areas.

In terms of present deficiencies of the trunk line highway system, 7% are in the upper peninsula, 14% in the upper half of the lower peninsula, and 77% in the lower half.

The Bureau found this disparity unacceptable and noted that out-state legislators in the lower half of the Lower Peninsula had aligned with rural interests against Detroit to funnel money away from the most heavily used roads.

Dissolution of the Michigan Public Expenditure Survey and Merger with the Detroit Bureau

In late 1944, Henry Steffens worked with Miller and Upson to avoid MPES duplication of Bureau research and to develop an action program. In pursuit of this, the Survey called in staff from the Tax Foundation to review MPES programs and make recommendations, which they did in February 1945.

The Survey continued to operate through 1948 and into 1949, but “delinquent subscriptions” had become a pressing issue and, in the spring of 1949, it was decided to merge the Michigan Council for Tax Research and, therefore, the Michigan Public Expenditure Survey, with the Detroit Bureau of Governmental Research by dissolving the Council for Tax Research and transferring the assets to the Bureau. The dissolution of the Council occurred on October 27, 1949.

Lent Dayton Upson, 1886-1949. Lent Upson died in his sleep on the evening of May 10, 1949, at age 62. He had been in failing health for several months. A major figure in the field of public administration and long-time Upson friend, Luther Gulick, eulogized him in the *GRA Reporter* of May-June 1949:



If our self-government makes good in the modern metropolis, it will be because Lent Upson and men and women like him, help the common citizens to take government seriously, to draw on the expert for aid, and to do their duty as citizens before it is too late.

It might be tempting to say that Upson's passing marked the end of an era, but it did not. The hundreds of governmental researchers, public officials, educators, and business leaders whose minds he touched and those who they in turn mentored in his methods and approach to government have carried his

legacy into the 21st century. It is a legacy well worth preserving.

1952

Little Hoover reports conclude

1952

Michigan Children's Institute analyzed

1953

Report on Jackson prison riot recommends smaller prisons

1953

Lansing office moves to 204 Bauch Building

1953

CRC predicts state fiscal problems flowing from sales tax diversion

1954

Major study of Wayne County General Hospital (“Eloise”)

1954

Criticism of maldistribution of tuberculosis spending

1954

Lent Upson’s book, *Letters on Public Administration*, published posthumously



“The Bureau is Changing Its Name to the Citizens Research Council of Michigan”

With the transfer of the resources of the Michigan Council for Tax Research to the Detroit Bureau, a new organization with a statewide presence had been created. In 1950, it was announced that “The Bureau is changing its name to the Citizens Research Council of Michigan,” although the name was not officially changed until June 1951. At that time, the new structure of the organization was revealed:

- **Expanded Scope.** An Office of State Affairs, with a Lansing address, would be created.
- **Board of Directors.** The Board of Trustees was expanded and renamed the Board of Directors.
- **Board of Trustees.** A Board of Trustees constituting the legal membership of the non-profit corporation was created.

THE NEW CRC BOARD OF DIRECTORS. Several of the board members from the Detroit Bureau made the transition to the new Citizens Research Council, in particular, Clifford Longley (president) and George Bailey (vice-president). Other continuing members included treasurer Meyer Prentis (General Motors), close Miller friend William Reeve Clark, and James Kennedy (Earhart Foundation). New members included Henry T. Bodman (National Bank of Detroit), Thomas R. Reid (Ford), and future Michigan Governor George Romney (then with Nash-Kelvinator).

Proposed CRC Program

In November 1951, CRC issued *A Proposed Program for the Citizens Research Council of Michigan*. The proposal was ambitious calling for a sizable increase in the CRC budget (not realized until the 1960s), an expanded staff, and more office space.

The plan called for the following Program of Activities:

- Federal Affairs (Basically, a clearinghouse for federal information)
- State Affairs (Focus on the legislature, state government, and state finances)
- Metropolitan Detroit Affairs
- Field or Consulting Services
- Student Training Program
- Publicity and Public Education

The proposed annual budget was \$250,000, which, at the time, would have supported a staff of 29, plus outside consultants.

At the same time that the organization was going through its transformation, it was beginning work on one of the largest projects it was ever to undertake—a massive study of state government organization.



“Little Hoover”

In 1947, President Harry S. Truman created the Commission on Organization of the Executive Branch of Government and appointed former President Herbert C. Hoover as its chair. The Commission, popularly known as the “Hoover Commission,” worked through 1948 and in 1949 came forth with 273 recommendations aimed at streamlining the federal government. Many of these changes were incorporated in the Reorganization Act of 1949 and in executive orders issued between 1949 and 1952.

Noting the success of the Hoover Commission, the Michigan legislature created, in 1949, the Joint Legislative Committee on Reorganization of State Government, soon known as the “Little Hoover Committee,” and chose the Detroit Bureau to do the staff work. The Bureau devoted its entire resources to work on Little Hoover and received grants totaling \$50,000 from the Earhart, Kresge, and Kellogg Foundations, in addition to a state appropriation of \$20,000. It also brought in numerous outside consultants including an original Bureau staff member from 1916, Arch Mandel, who was then associate executive director of the Community Chests and Councils in New York City.

CRC began issuing Little Hoover “Reorganization Reports” in spring 1951 and they would continue to be issued approximately monthly until the end of 1952, a total of 19 reports. Bureau staff was directly responsible for only five of the reports, but supervised the remainder. The reports included 800 recommendations for 114 agencies, 40 percent of which would require statutory changes, 59 percent administrative changes, and one percent constitutional changes.

The reports covered every aspect of state government organization and administra-

1955

CRC notes that townships are subsidized by cities because of sheriff police services

1955

Recommendation of one-man patrol cars in certain circumstances

1956

Wayne University becomes Wayne State University

1957

Recommendation of consolidation of police and fire services in Grosse Pointe Woods

tion, but the common threads were elimination of overlap and duplication, giving the governor more appointment authority and responsibility for administration, eliminating boards and commissions, and reducing the number of elected officials.

1957

CRC confirms
“most serious”
state financial
problem in many
years

1958

CRC provides
staff to Michigan
Tax Study

May 1958

Loren B. (“Red”)
Miller dies; staff
operates agency
for 9 months

**March
1959**

Robert E. Pickup
succeeds Miller



State Office Building Fire

On February 9, 1951, a fire destroyed state archives in the State Office Building (now the Lewis Cass Building) at 300 S. Walnut in Lansing. Governor G. Mennen Williams ordered state department heads and supervisors to enter the building to save whatever they could, but there were major losses of records, some dating back to statehood. The fire was traced to a state employee fearful of being drafted for the Korean War.

CRC was working on the Little Hoover reports at the time and calculated that 21,560 cubic feet of records, stored in 17,560 square feet of floor space, were destroyed. If proper records management had been employed, the Council estimated, only 1,800 square feet would have been required, making it more likely that at least some of the records could have been saved.

A DISAPPOINTING CONCLUSION TO LITTLE HOOVER. Perhaps the amount of research and the number of recommendations were too much for the Michigan Legislature or perhaps institutional inertia was too great a force. Whatever the reason, relatively few of the proposed reforms were adopted. Centralized driver licensing and a state records management unit made it through the process, but the controversial items, such as giving the governor greater control over the executive branch, combining numerous state agencies, and reforming civil service were hardly considered. The chairman of the Committee, Senator Frank Andrews, said, “We were set up to make recommendations, not necessarily to accomplish something.”

As optimistic as Miller had been about the Little Hoover effort, in early 1954, he finally acceded to the inaction of the Legislature and announced that CRC would be turning its efforts to other areas. “There is such a thing as activities wearing themselves out,” he said. “Our job here has come pretty well to an end.”

Little Hoover was not wasted effort, however. Eight years later, CRC would see some of its most important recommendations embodied in the new Michigan Constitution.

The Clark Legacy

In 1948, William Reeve Clark, the son of founder Emory W. Clark, joined the Board of Trustees of the Detroit Bureau. Emory Clark had left the board in 1944 and had become an advisory trustee. While Emory Clark was, as his grandson and namesake Emory W. Clark remarked, a “hard-ass,” Bill Clark was a mild-mannered man-about-town. Educated at the Groton School and Yale University, he entered the U. S. Army in 1942 and distinguished himself working with French intelligence, first in North Africa, then in Europe. Following the war, he became head of Temprite Products. A kindred spirit of Red Miller, he also joined the board of the Earhart Foundation.



William
Reeve
Clark



Emory W.
Clark in
1920

He left the CRC Board of Directors in 1958, following a serious injury suffered in a fall from a horse, but remained a trustee until 1990. Together, the association of the two Clarks with the Detroit Bureau and the Citizens Research Council spanned three-quarters of a century.

State and Local Institutions Come Under CRC Scrutiny

In the 1950s, far more so than today, state and local government was about institutions. Correctional facilities, tuberculosis sanatoriums, and mental hospitals were in many respects the face of the state and its localities. CRC was called upon to examine institutions in four major studies:

- *Michigan Children's Institute* (1951) Recommended streamlined management, decentralization of field staff, and updated accounting and statistical operations.
- *Jackson Prison* (1953) In April 1952, a five-day riot at the State Prison of Southern Michigan resulted in \$2.5 million in damage. A committee was appointed by Governor Williams to investigate the prison system and CRC was engaged to do the research. In its report to the committee, the Council recommended 1) building a new, smaller prison; 2) treating prisoners on an individual basis; 3) making organizational changes; and 4) instituting an enlarged parole board.
- *Wayne County General Hospital* (1954) Familiarly known as “Eloise,” because of its location, Wayne County General housed the only county-run mental facility and had come under fire for mismanagement. CRC found almost chaotic management and made numerous detailed recommendations. The Wayne County Board of Supervisors set up an Eloise Committee to oversee reforms, but in July 1955, CRC complained that that committee was “meddling” in the operations of the hospital.
- *Tuberculosis Facilities in Michigan* (1954) In reviewing the results of a bond-funded program of tuberculosis sanatorium construction, CRC found that out-state favoritism had resulted in a maldistribution of state resources. It noted that Upper Peninsula and northern Michigan beds were being built where there was little need, southern Michigan was being “shorted,” and an addition to Herman Kiefer was being paid for from money borrowed from a bond fund that was supposed to be used for mental health.

Volker Fund Problems

William Volker's nephew, Harold Luhnnow, who had played a major role in bringing Red Miller to Detroit, took control of the Volker Fund upon Volker's death in 1947.

1959

Major studies on state budget problems

1960

CRC reviews constitutional issues, especially organization and legislative apportionment

1960s

CRC performs numerous administrative surveys of local units of government



1961

CRC main office moves to 1526 David Stott Building at 1150 Griswold Ave.

April 1961

CRC proposes a plan of analysis of Michigan constitutional convention (Con-Con) issues

Volker support for libertarian causes continued and it worked with both the Earhart and Relm Foundations, strong supporters of CRC.

In the early 1960s, Luhnnow, an eccentric who refused to venture east of Chicago, ended long-time Volker Fund support of Kansas City charities and reorganized the Fund as the Center for American Studies. In 1964, the Center closed as a result of internal disputes, with distributions of Volker money coming to an end.

The CRC fellowships were, from that time forward, financed by the Earhart Foundation, until it closed its doors at the end of 2015. The fellows were henceforth referred to as Upson Fellows, Upson-Miller Fellows (in honor of the first two directors of the Detroit Bureau) or Earhart Fellows.

Intergovernmental Issues

SUBSIDIZATION OF POLICE SERVICES TO TOWNSHIPS. In May 1955, in Police Services of Wayne County Sheriff's Office, CRC identified a problem not unique to Wayne County and which persists 60 years later:

Although the sheriff's police services are confined largely to the unincorporated areas, the services are supported by a county-wide tax which all units must pay, even though they do not directly benefit from the services. Thus, incorporated units must support their own city or village police departments and, in addition, support the sheriff's police services, from which they receive little or no benefit.

A GROWING METROPOLITAN FOCUS. The Bureau in 1942 had identified a movement of population outward from the center of Detroit. By 1955, the movement had accelerated. The population of the City of Detroit had peaked and had begun to decline, while the suburbs boomed. CRC pointed out the importance of dealing with urban sprawl through such means as metropolitan authorities, mergers, modernization of county government, transfer of some functions to the state, extension of more Detroit services to the suburbs on a contractual basis, and city-county consolidation. This work set the stage for CRC work on metropolitan government 10 years later.

State Fiscal Problems

The Bureau had been highly critical of the sales tax diversion amendment of 1946, predicting that the transfer of revenues to local government would make the state budget difficult to balance for at least several years. Unfortunately, the Bureau's predictions were spot on and the state spent most of the 1950s in fiscal distress. CRC continued to shed light on the mismatch between state revenues and expenditures and, in April 1957, said that "the State of Michigan faces its most serious financial crisis in many years."

Part of the blame for the state financial imbalance was laid at the doorstep of an outdated revenue structure. The state had adopted a form of value-added tax, the business activities tax, in 1953, but problems persisted and in 1958, a Michigan State Tax Study Committee was created to analyze the Michigan tax structure. The staff head was University of Michigan economist, Harvey Brazer, who would head a similar effort 23 years later. CRC devoted much of 1958 to an exhaustive review of state finances, which it presented to the Committee. Over a six-month period, the Council produced 23 reports, which covered everything from tax incidence and the property tax to mineral taxation. The report also covered income taxes, both personal and corporate, which would be intensely debated until their adoption in 1967.



Photo Detroit Free Press Archives

Wayne Becomes a State University

Since the early 1940s, the Detroit Bureau had argued for state university status for Wayne University. In 1956, it finally came when the Legislature assumed funding for the school and changed the name to Wayne State University. The decision was enshrined in the Michigan Constitution in a 1959 amendment and continued in the new Constitution of 1963.

CRC Receives a Shock

On Friday afternoon, May 23, 1958, CRC research director Bob Queller received a call from Red Miller's wife, Laura, asking him to come as soon as possible to the Miller apartment, which overlooked Palmer Park. When Queller arrived, he found that his friend and mentor had died of a heart attack at age 51.

In its tribute to Miller, the *Detroit News* said:

Loren B. Miller devoted all his adult life to the improvement of government; some of the reforms he espoused appeared out of practical reach at the time; some still do. But others, given little chance by cynics, have come to pass, in large part because he believed in them and worked at them.



Dick Ware

INTERREGNUM. By 1956, assistant director Dick Ware had concluded that he was destined to be Number Two at CRC for a long time, given the relatively small difference in age between himself and Red Miller, so he left CRC for the top staff position at an offshoot of

Sept.
1961

*Con-Con
Research Papers*
series begins

Oct. 1961

*A Comparative
Analysis of
the Michigan
Constitution*

Dec. 1961

Council Comments on Con-Con series begins

1962

CRC urges consideration of county home rule

May 1962

Constitutional Convention issues Resolution of Thanks and Appreciation to CRC

1962-63

(winter) CRC staff gives numerous presentations explaining proposed Constitution

the Earhart Foundation, the Relm Foundation. Clearly, had he waited only two more years, he very likely would have been the third executive director of CRC. As it was, his departure and Miller's unexpected death created two problems for the Council. First, there was no senior staff member to oversee and approve research projects. Second, the CRC staff contained no obvious successor to the job of executive director. Bob Queller was deemed to be executive material but, at age 29, not sufficiently seasoned for the top job.

The Board of Directors addressed the problem of research approval by appointing a research review committee to provide "interim direction of the Council's research program." The committee consisted of board chair Meyer Prentis and four other board members. They faced a challenging task. Most of the reports to the Michigan Tax Study Committee were yet to be issued and other reports on topics ranging from federal urban renewal policy to a line-by-line analysis of the 1959-60 State of Michigan budget were in process. While the members of the research review committee were all capable individuals, they soon realized that the conduct of governmental research was best left to the professionals on the CRC staff and quietly stepped aside. Queller was given the job of directing and approving CRC research until a new staff head could be found.

The committee to select a new CRC executive director, on the other hand, had much greater success. The seven-member committee conducted a nationwide search assisted by Dick Ware, who was loaned to the Council by the Relm Foundation. It soon became obvious that the most qualified candidate to succeed Red Miller was the Director of the Central Division of the Pennsylvania Economy League in Wilkes-Barre, Robert E. Pickup. Ware had known Pickup since 1941 and had strongly recommended him. Following perfunctory interviews with two other prospects, Pickup was offered the job to start in March 1959.



Harry Earhart



The Con-Con Years

The quintessential New Englander, Robert E. Pickup was born on November 2, 1914, at Rochester, New Hampshire, lived for a time in Maine, and was educated in the public schools of Fall Rivers, Massachusetts.



Robert E. Pickup

An athletic youth, Pickup was stricken by polio when he was 17. It affected all of his limbs and he was initially confined to a wheelchair. But, his gritty determination showed itself when he attended Brown University, graduating summa cum laude in political science and receiving a Phi Beta Kappa key. By the time he graduated, he was able to walk without assistance but he had been forced to make several accommodations to his limitations. He wrote with both hands in a kind of “legible scrawl” and walked with a swinging gait that produced great strain on his hips resulting in his return to a wheelchair after he retired.

His working career got off to a fast start. His efforts as part of a team of reporters on a study of taxation helped the

Providence Journal to earn a 1937 Pulitzer honorable mention. He entered the field of governmental research in 1936 with the Providence Governmental Research Bureau and in 1943 became its executive director.

While in Providence, he married teacher Winifred Scollens in 1942. They had two children, Carol and Robert, Jr., and celebrated 55 wedding anniversaries.

In 1948, he became part of a reorganization of the Pennsylvania Economy League by helping to quell a dispute between the Eastern and Western Divisions. This arrangement brought peace to PEL and became a major factor in the decision by CRC to hire him. When he left Wilkes-Barre to come to Michigan, the Wilkes-Barre Times Leader lamented the loss of “a good citizen and good neighbor” who had produced many “gratifying results” through his research.

Perhaps the word that best described Pickup was “gentleman.” Always courteous and well-spoken, he was gracious and at ease with corporate leaders and support staff alike. He bore his problems with equanimity and good humor, never letting them burden others. One of his favorite pieces of advice to his researchers was, “You’re never going to get rich in governmental research, so you may as well have some fun.” Everyone knew what he meant.

April 1963
Voters adopt new constitution by narrow margin

1963
First edition of *Outline of the Michigan Tax System*

1963
Analysis of Governor’s tax reform program

1964
CRC submits 7 reports to Citizens Committee on Higher Education

A New Plan for the Council

Pickup's arrival created an occasion for a new plan for CRC. The plan adopted in 1951, calling for a \$250,000 budget and a staff of 29, had proved to be unattainable. In 1959, the CRC budget was about half that amount and there were fewer than 10 staff members.

The new plan, *Citizens Research Council of Michigan: Its Purposes and Programs*, released in October 1959, declared the primary purpose of CRC was to:

Enable the Research Council, as a continuing organization, to know enough about Michigan government to anticipate emerging problems in sufficient time to make authoritative facts pertinent to their solution available to those responsible for decision making.

Three units were to constitute the organizational structure of the Council: 1) State government division (Lansing); 2) Local government division (Detroit); and 3) Public information division (fund raising and publications).

The board was obviously very serious about the plan. In the year following its adoption, CRC contributions rose by a breathtaking 55 percent.

1964

Metropolitan
Fund requests
CRC to analyze
intergovernmental
cooperation

1965

Staff Papers on
Governmental
Organization for
Metropolitan
Southeast
Michigan
submitted to
Metropolitan
Fund

1966

CRC celebrates
50th Anniversary

1966

Lansing office
moves to 405
Bauch Building

Local Administrative Surveys

A part of the 1959 CRC plan was emphasis on the conduct of local government administrative surveys, generally to be carried out by Upson-Miller Fellows and junior research staff. Studies of this sort had been performed by the Detroit Bureau very early in its existence and were made a significant part of the CRC research program in the 1950s.

In the 1960s, local administrative surveys occupied much of the local government work of the Council. Typically, they were performed at the request of the local unit (often prompted by CRC supporters located in that unit) and involved very detailed reviews of the budget and administration of either the entire local unit or some segment of its operations, such as police protection. Some of the more notable studies were of Wyandotte, Warren, Grand Blanc/Grand Blanc Township, Highland Park, Bay City, Alpena, and Hamtramck.

Battle Creek/Battle Creek Township. In March 1966, CRC re-released *Metropolitan Area Unification in the Battle Creek Urban Area*, performed at the request of the Kellogg Corporation. The study raised the issue of consolidating the City of Battle Creek and Battle Creek Township. It posited a future Detroit-Chicago megalopolis and concluded that the Battle Creek area needed to position itself for such an eventuality. The megalopolis has yet to materialize, but in 1981, Kellogg threatened to vacate the Battle Creek area unless the city and the township consolidated their operations. The next year, following a contentious campaign with accusations of "corporate blackmail," voters approved the merger and Kellogg stayed.

Although viewed as good training vehicles for young staff members and as a means of maintaining good relations with supporters and local public officials, the administrative surveys ultimately proved to have little impact beyond the boundaries of the studied communities and, with limited resources, CRC phased them out beginning in the 1970s.

The Coming of Con-Con

By the late 1950s, the 1908 Michigan Constitution had been amended 69 times and had become a patchwork quilt of trivial provisions and excessive detail, authorizing

too many independent agencies, earmarking 70 percent of state revenues, and creating inequitable representation favoring rural interests in the Michigan Legislature. Pressure was building to replace the old constitution.

The 1908 Constitution contained a provision that automatically placed before the voters every 16 years, beginning in 1926, the question of calling a constitutional convention. The question was defeated each year it was on the ballot because, although it received substantial majorities of those voting on the question in 1942 and 1958, the Constitution required a majority of those voting in the election and, since the question appeared near the bottom of the ballot, it did not meet that test.

Following the 1958 defeat of the question, a number of civic groups, notably including the League of Women Voters and Citizens for Michigan, headed by former CRC board member, George Romney, pushed for adoption of a “Gateway amendment” to the Constitution at the November 1960 election. The Gateway amendment provided for approval of a convention call by a simple majority of those voting on the issue on the April 1961 ballot. If approved, a convention would be called and election of delegates scheduled. The Gateway amendment was approved by 300,000 votes, but the April election brought out the out-state vote and the question of calling the convention passed by only 23,000 votes. The election of delegates on a partisan basis from each of the 110 House of Representative districts and 34 Senate districts, which gave the Republicans a sizable advantage, occurred in September 1961, with the convention convening in Lansing the following month.

CRC and the Michigan Constitutional Convention of 1961-62

Following the April 1961 election, CRC went to work on what would prove to be the biggest single project of its history, before or since. In September, CRC outlined for the delegates a program of research that it was to deliver during the course of the convention:

A Comparative Analysis of the Michigan Constitution.

A massive two-volume 700+ page work, the *Comparative Analysis* analyzed each section of the 1908 Constitution by comparing its provisions to similar provisions in the constitutions of other states and to provisions in the Model State Constitution prepared by the National Municipal League. Produced by the CRC staff and issued in October 1961 to coincide with the convening of the convention, the *Comparative Analysis* was referred to frequently by the delegates.

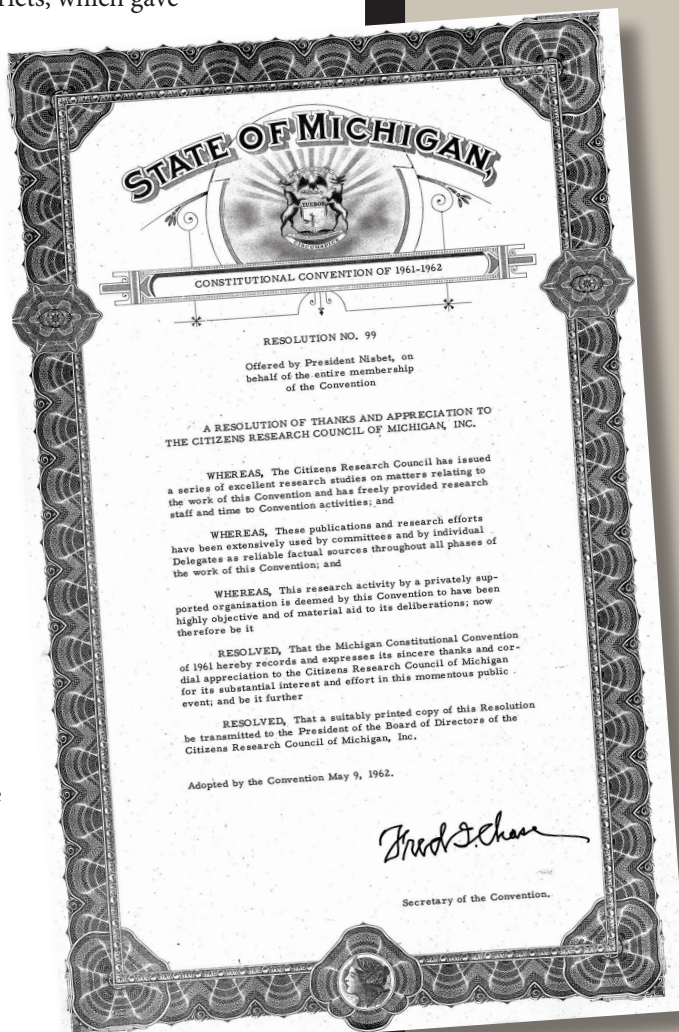
Con-Con Research Papers. During the convention, CRC issued seven *Con-Con Research Papers*, most written by outside consultants, which dealt with various issues likely to be considered by the convention, such as the nature and purpose of a state constitution, state finance provisions, and earmarking of state revenues.

Council Comments on Con-Con. CRC also issued a series of 12 *Council Comments on Con-Con*, which were a running commentary on the progress of the convention and its consideration of significant issues such as taxation and finance, declaration of rights, legislative apportionment, and executive branch reorganization.

The Constitutional Convention Concludes its Work and Honors CRC. On May 9, 1962, following the conclusion of its work, the Constitutional Convention adopted a “Resolution of Thanks and Appreciation” to CRC. It noted that CRC’s work was “extensively used” by the convention and was “highly objective and of material aid to its deliberations.” Two days later, the convention concluded its work,

1966

CRC submits studies on the organization and operation of a council of governments to Metropolitan Fund



The Constitutional Convention of 1961-62 issued a resolution of thanks to CRC for its research studies.

but did not actually approve the document for submission to the voters until August 1, doing so on a party-line vote of 96-48.

CRC and the Proposed Constitution

From the perspective of CRC, the proposed document was not an unalloyed improvement over the 1908 edition. Some weaknesses that had been pointed out over the years had been at least partially remedied: The proposed constitution provided for no more than 20 principal departments, most of which reported to the governor; elected executive branch officials would have four-year terms, giving them a greater opportunity to establish control; a legislative auditor general was created; Justices of the Peace had been eliminated; strong balanced budget provisions were included; constitutionally earmarked revenues had been substantially reduced (although there was no way to prevent their return); provisions for county home rule were included (but they were subsequently weakened by a ruling from the attorney general); and the proposed constitution encouraged multi-purpose metropolitan governments.

On the negative side, the convention chose not to provide for a short ballot, opting instead to retain the elected attorney general, secretary of state, state board of education, three university governing boards, the supreme court, and a plethora of lesser judgeships. It also allowed for the curious process of selecting justices of the Michigan Supreme Court via partisan nomination and nonpartisan election. Finally, in an attempt to forestall equal legislative representation that might disadvantage Republicans, the delegates approved a recondite apportionment formula, modified from the 1908 Constitution, that would have continued overrepresentation of rural areas. (In 1964, the U. S. Supreme Court ruled that this formula was in violation of the 14th Amendment to the U. S. Constitution.)

CRC Explains the Proposed Constitution. CRC had provided the convention delegates with a great deal of research and it was now time to explain the results of their efforts to the voters. For a small organization, such as CRC, it was a massive effort. First, it prepared a 40-page *Digest of the Proposed Constitution* and printed 250,000 copies, nearly all of which were distributed. Then, during the winter of 1962-63, the Council conducted a statewide series of seminars conducted in virtually every community of 3,000 or more, in front of audiences large and small. There were 15 statewide radio broadcasts and numerous television appearances. Bob Pickup estimated that CRC met with two percent of Michigan voters, which would have put the total at 50,000 to 60,000.

On April 1, 1963, Michigan voters narrowly approved the new Constitution by a

1966

Charter County
Act passes

1966

Ray Eppert,
Burroughs,
becomes chair



Left to right, Robert Queller, William Carter and Robert Endriss review Con-Con material.

vote of 810,860 to 803,436 (50.2% to 49.8%) and it became effective on January 1, 1964. CRC has monitored the Michigan Constitution and the numerous attempts to amend it ever since.

Post Con-Con Issues

Con-Con had virtually monopolized the resources of CRC from early 1961 to early 1963. When a more normal research program was resumed, two issues stood out:

- *Tax Reform.* In 1963, Governor George Romney proposed to reduce reliance on the state sales tax by adopting a tax on personal and business income and eliminating the business activity tax. CRC analysis showed that the proposal would result in a \$300 million dollar shift from sales to income taxation and would create some instability in the tax system. Although the program did not pass, it did form the basis of a successful program four years later.

In 1967, in part to deal with a state budget problem, Governor William G. Milliken proposed a restructuring of Michigan taxes by introducing income taxes on individuals, corporations, and financial institutions, eliminating the business activities tax, and reducing the property tax. CRC estimated that the package would resolve the budget problem.

- *County Home Rule.* Although not strong, there were provisions in the new Constitution that permitted charter counties “in form different from that set forth in this constitution.” Given this, CRC worked with the Governor’s Study Committee on County Home Rule in early 1964, hoping that significant changes might be forthcoming.

The legislation finally adopted, Act No. 293 of 1966, the County Home Rule Act, while it provided for a county executive, either elected or appointed, to be created by charter, did not bring about relief from the diffusion of executive power among the sheriff, clerk, register of deeds, treasurer, and prosecutor. County reorganization, then, would basically amount to placing an executive on top of the existing archaic structure.

Outline of the Michigan Tax System Debuts

In July 1963, CRC issued the first *Outline of the Michigan Tax System*, intended as a ready reference to the provisions of every tax levied by Michigan state and local government. The first edition was 15 pages long with about three taxes described on each page. Over many editions, the *Outline* got longer and the information on each tax, especially major taxes, got more detailed. A major breakthrough occurred in 1999, when the *Outline* went online. This permitted more frequent updating and links to other sources of tax information, greatly increasing its utility. Since its introduction, the *Outline of the Michigan Tax System* has been, year-in and year-out, the most popular of CRC publications.

CRC and the Creation of SEMCOG

The development of a network of limited access highways in the Detroit area during the 1950s and 1960s facilitated a spread of population throughout the region. Regional concepts, similar to those propounded by the Detroit Bureau beginning four decades earlier began to gain traction. For many urban functions, local political boundaries had become artificial barriers to the efficient provision of services.

Early efforts at regional provision of services included single-purpose agencies, such as the Huron-Clinton Metropolitan Authority and the Southeast Oakland Water Authority. Many units began interlocal cooperative agreements in recreation, library services, and police and fire protection.

In 1947, the Detroit Metropolitan Area Regional Planning Commission was established to do planning research related to regional issues in Wayne, Oakland,



1967

Lansing office moves to 834 Michigan National Tower at 124 W. Allegan St.

1967

Comprehensive analysis of Governor’s tax program

and Macomb Counties. Two years later, the Supervisors Intercounty Committee was created to engage in regional planning and, in recognition of continuing sprawl, added Washtenaw, Monroe, and St. Clair Counties.

THE METROPOLITAN FUND AND CRC. In 1964, the Supervisors Intercounty Committee, along with business, labor, and the Ford Foundation, provided funding to create the Metropolitan Fund, with a board that was a Who's Who of civic leadership. The staff of the Fund consisted of president Kent Mathewson and research coordinator Allen A. Hyman. It was given the mission of developing options for regional provision of services in the six-county Detroit region and assembling leadership support "to implement action programs." One of the first acts of the Metropolitan Fund was to ask CRC to analyze the possibilities for interlocal cooperation in the Detroit region.

The response was a major research project, *Staff Papers on Governmental Organization for Metropolitan Southeast Michigan*, a sweeping review of the issues ranging from large-scale initiatives, such as metropolitan government to multipurpose authorities to simple interlocal agreements. One of the papers dealt with the metropolitan council as a device to foster and coordinate intergovernmental cooperation.

The studies were submitted to the Policy Committee of the Metropolitan Fund in February 1965, and the basic choices presented were 1) a metropolitan government providing a wide range of regional services and 2) a metropolitan council of governments that would provide a forum for the consideration and implementation of intergovernmental cooperative arrangements. While the first approach had a great deal of conceptual appeal, it was concluded that political realities dictated that the council of governments approach was more likely to bear fruit. As a result, CRC was engaged by the Metropolitan Fund to do follow-up studies on the structure and operation of a council of governments. The studies, issued early in 1966, covered the organization, staffing, and role of a council of governments. CRC completed its work on intergovernmental cooperation in the summer of 1966, with a review of existing intergovernmental arrangements in Southeast Michigan.

In 1968, the Southeast Michigan Council of Governments (SEMCOG) was created as a direct result of the work of the Metropolitan Fund and CRC. The Metropolitan Fund then became the Metropolitan Affairs Coalition, a partner organization to SEMCOG, bringing business, labor, government, and education together to deal with regional problems.

1968

Southeast Michigan Council of Governments established

1969

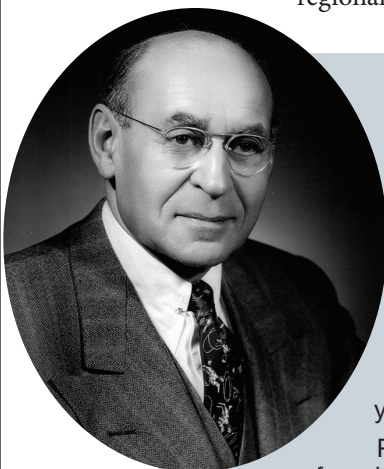
Major study on Public Education in Michigan

1970

Regional Financing of Regional Services

1970

Review of powers of county executives



CRC's Longest-Serving Board Chair

Meyer Prentis was Chairman of the Board of CRC for longer than any other—14 years, from 1952 to 1966. He had joined the board in 1944.

Meyer Prentis Prentis, a native of Lithuania, was born in July 1886 and started his career as Meyer Prenskey, changing his name to Prentis in 1923. He began his career with General Motors in 1911 as chief accountant. In 1916, he became comptroller and in 1919, he was elected treasurer, a post he would hold until his retirement in 1951, 32 years later.

Prentis was active in many Jewish charities, was a founder of the Albert Einstein School of Medicine, and was also instrumental in establishing the Wayne State School of Business Administration. In 1965, Wayne State honored Prentis by naming its new University Hall after him and his wife, Anna. (Prentis Hall is located only a few steps from the location of the Bureau offices in the 1930s and 1940s.)

Prentis left the CRC board in 1967 and died in 1970 at the age of 84.

Restructuring Michigan Education Finance

At the time of its release in 1966, *Equality of Educational Opportunity*, commissioned by the U. S. Office of Education, was one of the largest socio-economic studies ever undertaken. Known as the Coleman Report for its lead author, James S. Coleman, its findings revolutionized thinking about educational policy. Simply put, the study found that student family situation and peer influence were more important in shaping educational outcomes than educational expenditures or teacher training.

The Coleman Report set off a flurry of state-level studies dealing with various aspects of educational opportunity. In Michigan, the *Michigan School Finance Study* of 1967 was such a study. Known as the “Thomas Report” for its author, J. Alan Thomas, it pointed out great variety in educational opportunity across the state, based largely on disparities in funding. School funding was on the horns of a dilemma: While education enjoyed popular support, its means of financing, the general property tax, did not. In addition, the local tax bases for schools varied dramatically, creating wide disparities in the abilities of local districts to pay for their schools. The challenge was to find a way of supplementing local funding with state funding that would provide greater interdistrict equity in financial capacity.

By 1969, Governor William G. Milliken was ready to move on a proposal to restructure educational finance and services. CRC responded with a major series of background papers, *Public Education in Michigan*. The 14 reports in the series covered every aspect of K-12 organization and finance in Michigan. Particular focus was directed to the financial condition of local school districts, educational outcomes, collective bargaining, school district reorganization, public school employee retirement funding, and alternative methods of financing K-12 education.

The governor’s proposal of that year began a debate, often acrimonious, concerning education funding and tax policy that would last for 25 years. The proposal would have instituted a state property tax for school operations and supplanted local operating expenditures with state funding. This unsuccessful approach was followed in 1972 by another approach involving state funding of school operations.

Subsequently, a school aid formula based on equalizing the tax capacity of local school districts was adopted. Criticized by many as creating an incentive for local school districts to increase their property tax rates, it laid the groundwork for what was to be called Michigan’s “tax revolt.”

1970

Expresses need for a local government budgeting act

1970

Frank Misch, Chrysler, becomes chair

1971

Reviews issues in anticipation of Detroit charter revision in 1972

1972

Identifies fundamental funding problems for Detroit Public Schools



1972

Major review of Governor's proposals for financing K-12 education

The Calm before the Economic Storm

Relative to the debate raging nationally over the Vietnam War, issues in Michigan during most of the 1970s were fairly prosaic. CRC spent much of its time on issues that had their roots in the early days of the Detroit Bureau.

Local Government Issues

1972

Allen W. Merrell, Satterley Co., becomes chair

COUNTY REORGANIZATION. In February 1970, CRC revisited the issue of county reorganization in *The County Executive*, which identified three obstacles to efficient, accountable county government: 1) a plural executive; 2) combined legislative and executive functions in the county commission; and 3) a decentralized organizational structure. It also identified three essential powers of a county executive: 1) appointment and removal of units for which the executive is responsible; 2) direction of fiscal and service planning; and 3) enforcement of laws and regulations. The two alternatives available to fill the role of executive were: 1) an elected county executive and 2) a county manager appointed by the board of county commissioners.

1973

Promotes concept of one-man garbage trucks

By 1973, the Home Rule County Act of 1966 had found no takers and, with the hope of making it easier to achieve at least some restructuring by avoiding the necessity of a charter commission, the Legislature passed Act No. 139 of 1973, the Optional Unified Form of County Government Act. The act permits the board of county commissioners to refer to the voters an optional form of either an elected or an appointed county executive. In relatively short order, Oakland County, in 1974, and Bay County, in 1978, adopted the provisions of Act 139, each choosing the elected form. No county since has used the act.

1973

Analyzes delivery of local health services in Michigan

DETROIT CHARTER REVISION. The Detroit Charter, adopted in 1918 with the support of the Detroit Bureau, was considered to be in need of revision and, in 1971, CRC, with the support of the McGregor Fund, produced a series of papers dealing with city charter issues. Of particular interest was a paper on personnel administration and the impact of collective bargaining on the merit system. Three years later, Detroit adopted its first revised charter in 56 years.

LOCAL GOVERNMENT BUDGETING. In 1968, the Michigan Legislature passed Act No. 2 of 1968, the Uniform Accounting Act for local government. The law provided for uniform charts of accounts, disclosure requirements, and state oversight of local accounting practices. Two years later, CRC expressed a need for a companion law providing for standards for local government budgeting, but local government opposition to such a law was strong and it was not until CRC senior research associate, William Carter, undertook a major survey of the budget practices of local government that movement began to occur.

Released in April 1977, *A Proposed Local Government Budgeting System* surveyed a sample of 52 local units of various types and sizes. It found numerous weaknesses, especially in budget execution. Although some units had exemplary budget documents and processes, many units provided insufficient detail on expenditures and revenues or balances to permit citizens to assess the financial condition of their local unit. The respective roles of the legislative and executive branches were frequently blurred, leading to uncertain control over expenditures. A review of state statutes revealed

spotty state standards and oversight of local budgeting. The study concluded with a proposed statute that would amend Act 2 to include standards for budgetary information, format, appropriation procedure, and budgetary execution for Michigan units of local government.

This was enough to convince the Legislature of the necessity of acting and, on the last day of session in 1978, it passed Act No. 621, the Uniform Local Government Budgeting Act.

Health Care Costs

In 1977, Governor Milliken and the Michigan Legislature appointed a Michigan Task Force on Medicaid and Health Care Costs, consisting of a broad spectrum of providers, employers, third-party payers, and public officials. Chaired by Dean Richard Remington of the University of Michigan School of Public Health, it was charged with recommending statutory or administrative changes that the state might adopt to control health care costs while maintaining quality.

CRC was engaged to provide the Task Force with issue papers dealing with various aspects of the problem. Written largely by outside consultants, the *Report to the Michigan Task Force on Medicaid and Health Care Costs* was delivered in June 1978. The papers had a common theme, namely, that the consumer of health care is largely insulated from the signals that a functioning market sends. The report noted that the regulatory approach adopted by government has not been effective in controlling health care expenditures and market incentives provide some promise in bringing about some restraint.

CRC was also detailed to draft the Task Force report itself, which was released in January 1979. The recommendations reflected little in the way of using market forces to aid in making more efficient decisions in health care provision, focusing instead on consumer education, prevention, and direct control of the supply of service and amount of payment.

Storm Clouds on the Horizon

CRC spent most of its research energy in the 1970s on long-term policy issues, which, while significant, did not directly involve the basic question of the appropriate size and role of government. That question would, however, be front and center in the next two decades and CRC would be the only source of credible analysis of the seemingly endless stream of ballot proposals that became known as the “tax revolt.”

1973

Optional Unified Form of County Government Act passes



1974

CRC main office moves to 500 Guardian building at 500 Griswold St.

1975

Identifies looming state budget problem



Direct Democracy and Tax Policy

In 1932, Michigan voters approved an amendment to the 1908 Constitution that established a 15-mill limit on property tax rates, which, in modified form, was carried over into the 1963 Constitution. Significant by itself, this amendment also ushered in an era of proposals to place tax and expenditure limitations in the Constitution. The use of the ballot box to tie policy makers' hands in taxing and spending reached full flower in the two decades from the mid-1970s to the mid-1990s.

1976

Crime and the Criminal Justice System

1976

Foresees issues in declining school enrollments as baby boom impact ends

1976

Oscar Lundin, General Motors, becomes chair

The Tax Limitation Dilemma

As much as they were dissatisfied with overall state-local tax levels, groups wishing to limit taxation took particular aim at the property tax. The dilemma they faced was that the despised property tax was levied to support local services—education, police and fire, parks and recreation—in other words, services most valued by the general public, while the state, which provides services that, with the principal exception of roads, are used by a minority of residents, was supported, in large measure, by the less unpopular sales tax. This meant that cutting the property tax while maintaining local services would mean shifting responsibility for financing a larger portion of local services to the state and probably increasing the sales tax.

A Brief History of the “Tax Revolt”

The most striking aspect of 20 years of attempts to place tax and spending limitations in the Michigan Constitution is that, of 15 proposals that made it to the ballot, only two were approved by the voters. CRC, with its policy of providing analysis of all statewide ballot issues, spent a considerable amount of time on these proposals and made countless public presentations to interested groups.

THE SUCCESSFUL PROPOSALS. The two proposals approved by the voters were:

- *Proposal E of 1978 (“Headlee”).* An initiated proposal advanced by Taxpayers United, a group headed by insurance executive Richard Headlee, Proposal E limited state revenues to a fixed percentage of state personal income, created new property tax limitations, and provided for state payments to local units to compensate for state mandates.
- *Proposal A of 1994.* Proposal A was a legislative proposal that provided for a dramatic shift of funding of school operations from the property tax to an increased sales tax, a modified acquisition value system for determining taxable property values, and differential taxation of business and homestead property.



Richard Headlee

These two proposals were not adopted without problems. The Headlee Amendment, as CRC later pointed out, was adopted at the peak of state revenue as a proportion of state personal income. That proportion then began a long decline, so the Headlee Amendment had no effect on total state revenues. Its requirement for state funding of mandates to local units has been a continuing source of contention

between the state and its local units. Its provision requiring a rollback of property tax rates in a jurisdiction when the growth of state equalized value exceeded the growth of the “General Price Level” (interpreted as the Consumer Price Index) probably had the greatest effect, especially after the adoption of Proposal A.

Proposal A resulted in a reduction in the funding gap between the highest and lowest school districts and an immediate reduction in property taxes. But it also created significant inequities in taxable value of similarly situated properties, depending on the timing of their acquisition. It also controlled the growth of taxable values, but did not control their decline, meaning that local units would lose value during downturns that would take decades to restore during recoveries. Property tax limitation was magnified by the interplay between the Headlee Amendment, which limited property tax growth of an entire jurisdiction, and Proposal A, which limited growth of individual parcels of property.

THIRTEEN UNSUCCESSFUL PROPOSALS. The unsuccessful proposals were in three categories:

- 1) *Tax Growth Limitation.* Proposal C of 1976 was intended to slow the growth of taxing and spending.
- 2) *Tax Shift.* Nine proposals, five by the legislature and four by initiative petition, were intended to shift taxation from the property tax to another source of funding. These were the conceptual forebears of Proposal A. In fact, there were Proposal As that failed in 1992 and 1993 that would have done much the same thing as the successful one in 1994.
- 3) *Tax Reduction.* Three proposals, all initiated, would have resulted in significant tax reductions and, while tax increases would have been technically possible, they would have been very difficult. Two of the proposals were sponsored by Shiawassee County drain commissioner, Robert Tisch (Proposal J of 1978 and Proposal D of 1980). The third, called Voter’s Choice (1984), would have rolled back the tax increases adopted during the state fiscal crisis of 1981-82 and made future increases subject to popular vote or legislative supermajorities.

Amending the Michigan Constitution

The steady stream of ballot issues in the 1974-1994 period (there were 10 in 1978 alone) raised concern about the overuse of the initiative, a concern voiced by Lent Upson 40 years earlier. CRC executive director Bob Queller expressed the concern again in 1980:

The increasing use of the popular initiative to place proposals on the ballot reflects both public discontent with the actions or inactions of our elected representatives and the emergence of single-issue groups. The legislature has responded by submitting proposals of its own to the people, some of which are designed to counter initiated proposals or to pass the buck to the voters on issues that may be politically unpopular. These ballot proposals are becoming increasingly detailed and complex, often add unrelated provisions to make the package more attractive and, in some instances, superimpose restrictions in piecemeal fashion on top of existing constitutional restrictions.

1977

Identifies local budget process problems and proposes uniform system

1978

Major report on health care delivered to the Michigan Task Force on Medicaid and Health Care Costs

Changes at CRC

Board chairs following the long reign of Meyer Prentis, who stepped down in 1966, were Ray Eppert (Burroughs) (1966-70), Frank Misch (Chrysler) (1970-72), Allen Merrell (Satterly Co.) (1972-76), and Oscar Lundin (General Motors) (1976-79).

Bob Pickup retired on November 30, 1979, after more than 20 years as executive director. He and his wife, Winnie, immediately moved to their retirement home on Marco Island, Florida. He left behind a legacy of sound research performed with integrity and also a sizeable operating reserve for the Council. The obvious choice for the top position was research director Bob Queller, who succeeded Pickup on December 1. His choice for research director was Earl Ryan, who had rejoined the staff in 1977, following seven years with the State of Michigan.

1978

*Proposed Local
Government
Uniform
Budgeting
System*

1978

*Uniform Local
Government
Budgeting Act
passes*

1978

*Numerous
ballot issues,
many regarding
tax limitation,
analyzed*

1979

*A Suggested
Budget Measure
for Local Units of
Government in
Michigan*



Michigan's Economic Watershed

The smoothest transition from one CRC executive director to the next in the entire history of the organization was that from Bob Pickup to Bob Queller in November 1979. Queller already had 27 years of experience with the Council, was well-known and respected by the CRC board and public officials alike, and was a valued mentor to CRC staff. Although others were interviewed for the position, it was a foregone conclusion that the job would go to Queller.

Robert L. Queller was born in 1929 and grew up in Terre Haute, Indiana. He received his bachelor's degree from nearby DePauw University, earning a Phi Beta Kappa key. He moved his new wife, Barbara, to Detroit in 1951, where he became an Upson Fellow. He joined the research staff upon receiving his master's degree from Wayne University, beginning a 42-year career with CRC, a length of service unmatched by any other Council employee.



Bob Queller

Although devoted to CRC and the profession of governmental research, Queller found time for his three daughters and a son and, later, eight grandchildren and one great grandchild.

Queller became a key part of the CRC staff under Red Miller and Dick Ware, contributing immediately to the Little Hoover project. When Miller died unexpectedly in 1958, Queller was the obvious choice to run the research program until the arrival of Bob Pickup, ten months later. The "two Bobs" then formed a team that saw the Council through one of the most productive periods in its history.

Naturally gregarious, Queller participated in a wide range of organizations, both local and national, including the Governmental Research Association, the American Society of Public Administration, and, following his retirement from CRC, the Detroit Area Agency on Aging and Adult Well-Being Services.

Michigan's Cash Crisis

A strong Michigan economy in the early 1970s permitted several reductions in Michigan taxes, including a homestead property tax credit against the income tax, reduction in business taxes, and a voter initiated constitutional amendment exempting food and prescription drugs from the sales tax.

The mid 1970s witnessed the beginning of the erosion of the dominant position of the Big Three as foreign competitors made substantial inroads in the auto market. This had an effect on the Michigan economy and together with the tax reductions of the early 1970s, stress on the state budget began to be felt. By March 1975, CRC noted that the once strong budget was headed for a deficit.

The Legislature reacted quickly and in October 1975 instituted the Michigan Single Business Tax, another value-added type of tax in the mold of the Business Activities Tax, which had been repealed eight years earlier. CRC continued to predict budget imbalance and the state took the extraordinary step of moving its fiscal year from July 1-June 30 to October 1-September 30, picking up a one-time gain of \$145 million in revenues for the 1976-77 fiscal year.

1979

Lansing office moves to 909 Michigan National Tower; Main office moves to 1666 City National Bank Building

1979

Norman B. Weston, National Bank of Detroit, becomes chair

1979

Robert E. Pickup retires; succeeded by Robert L. Queller



Jim Williams

Federal Reserve efforts to control inflation in 1980 were largely successful, but at the price of the most serious downturn since the Great Depression, in 1981 and 1982. Hard hit Michigan soon led the nation with an unemployment rate of 14.5 percent.

In 1980, CRC replaced long-time Lansing office director, Francis Wheeler, who had retired in 1979, with Texas native, James Williams. Williams quickly grasped the state budget problem in a way no other analyst had by describing a sea change in the budget, which had moved from an annual growth rate of 7.1 percent to a 4.1 percent decrease in 1980-81. He followed this finding with an analysis that showed that, although Michigan had reported balanced budgets, cash outlays had exceeded cash receipts by \$600 million over the preceding 14 years. The gap had been papered over by short-term borrowing.

The balance sheet deficit continued to grow, reaching \$796 million by September 1982 and the Democrats gained control of the governorship and both houses of the legislature for the first time since the New Deal. Newly elected Governor James Blanchard asked CRC to staff a budgetary Crisis Council, which recommended an increase in the state income tax and expenditure reductions. The Legislature then enacted temporary increases in the personal income tax rate, first from 4.6% to 5.6% and then to 6.35%. These increases precipitated the recall of two Democratic senators who were subsequently replaced by two Republicans, thereby restoring Republican control of the Michigan Senate. This "lesson" has had a lasting effect.

CRC continued to monitor the state cash position as it improved dramatically during the 1980s, the cash surplus rising from \$319 million on September 30, 1984, to \$984 million two years later, a turnaround of \$1.6 billion. The recession of 1981-82, however, had dealt Michigan a severe blow, one from which it has not recovered.

The Michigan Unemployment Insurance Crisis

The Michigan Unemployment Insurance (UI) system had not been constructed in contemplation of an economic downturn of the magnitude of 1981-82 and it quickly encountered its own cash problems and ran up a large debt to the Federal UI trust fund. The Legislature tasked the Economic Alliance for Michigan, a business-labor coalition, to come up with a recommendation, with the tacit understanding that if business and labor could agree on a solution, it would have legislative support.

The first problem for the Economic Alliance was finding a competent staff that would be acceptable to both business and labor. The only organization fitting that description was CRC, which had little experience in this exceedingly complex issue, but which was able to apply time-tested research techniques in order to deliver an analysis to the Alliance. It described a structural imbalance between UI taxes and benefits and defined alternatives to solve the problem. The Economic Alliance settled on a combination of tax increases (\$2.5 billion) and benefit reductions (\$1.1 billion) over the 1983-86 period. It was quickly adopted by the Legislature. The Council continued to monitor the UI problem and found that a \$2.1 billion deficit in 1982 had been transformed into a positive balance of \$600 million five years later and, by 1992, the massive loans owed to the Federal trust fund were paid off.

The CRC contribution to the solution of the UI problem demonstrated the Council's unique combination of credibility and analytical competence in solving complex public problems.

Wayne County Gets a Charter

Wayne County, which had endured numerous financial difficulties over the years, finally reached a point in October 1979 at which, following refusal by the Michigan Finance Commission to approve tax anticipation borrowing by the county, it became the first American county since the Great Depression to miss a payroll. For the Milliken administration, this was the last straw in a long series of financial lapses by a county

1980

Identifies state cash deficit camouflaged by accounting gimmicks

1981

Major series on Wayne County Charter issues

1982

Staffs Governor's Fiscal Crisis Council

1982

Moderates effort to stabilize Michigan Unemployment Insurance Fund

government incapable of making the hard decisions necessary to maintain budgetary stability and the governor conditioned his support of future state aid to the county on reorganization.

In August 1980, Wayne County voters approved the creation of a county charter commission. The commission, elected that November, consisted of 27 members and was chaired by George Ward and staffed by the head of the respected Civic Searchlight, William O'Brien. The commission met through the winter of 1980-81, with virtually every meeting monitored by CRC staff, primarily Earl Ryan. CRC also produced a series of studies of charter issues, ranging from the county executive to county finances and debt management.

The resulting charter was clearly the result of numerous compromises and did not take advantage of even the limited opportunities afforded it by state law, but it did provide for an elected county executive, the first of which was former Wayne County sheriff William Lucas, who immediately engaged CRC to draft an organization plan for the county. The plan was adopted by Lucas, virtually without change.

Electoral Issues

Two enduring issues related to the electoral process have been of concern to CRC over the years:

- **Legislative Apportionment.** Until 1964's ruling by the U. S. Supreme Court affirming the requirement of one person-one vote, numerous districting schemes had been adopted in an effort to retain legislative controls by out-state interests. Bipartisan apportionment commissions appointed in 1964, 1972, and 1982, all failed to agree on acceptable plans, forcing the Michigan Supreme Court to assume responsibility for the process. But Michigan still lacked a valid constitutional provision for drawing legislative districts. In 1983, CRC issued the following, which, unfortunately, is still relevant:

Unless valid constitutional standards are adopted, any redistricting action by the Legislature would occur in a legislatively devised framework that could be adjusted by the Legislature. It is doubtful that the public interest is served by a situation in which basic standards of legislative apportionment are subject to manipulation by the very body that is to be guided by these standards and whose members have a vested interest in the outcome of the process. Amending the constitution is the ultimate solution.

A constitutional amendment should provide a workable apportionment process with strict standards to minimize political gerrymandering and facilitate electoral competition.

- **The Long Ballot.** Often supported on the shaky ground that it increases accountability, the long ballot, with numerous elective offices, has been a staple of Michigan elections since the adoption of the 1850 Constitution. CRC quantified the situation in 1984, identifying a total of 19,417 elected officials in Michigan and finding that, over an election cycle, the typical voter would be confronted by 82 elected state and local officials. The report concluded:

The purposes of popular election of public officials can be frustrated if so many officials are elected that the voter is unable to assess the qualifications of candidates and judge the performance of incumbents.

1982

Submits reorganization plan to new Wayne County executive; plan adopted

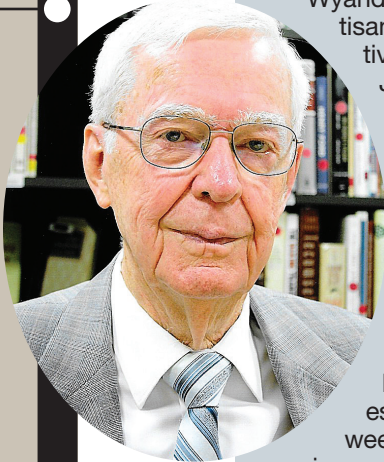


1982

Main office moves to 625 Shelby St.

1982

Robert F. Magill,
General Motors,
becomes chair



**Robert
McKerr**

1983

*Use and Misuse
of Special
Assessments in
Michigan*

1983

Urges standards
for legislative
apportionment in
Michigan

1984

Criticizes the long
ballot in Michigan

CRC, Mr. Clean, and the House Fiscal Agency

The 1994 Pulitzer Prize for Beat Reporting was awarded to Eric Freedman and Jim Mitzelfeld of *The Detroit News* “For dogged reporting that disclosed flagrant spending abuses in Michigan’s House Fiscal Agency.” “Flagrant spending abuses” hardly begins to describe the bizarre web of fiscal legerdemain that Freedman and Mitzelfeld had uncovered.

Formed in 1971 by House Appropriations chair William Copeland, a Wyandotte Democrat, the House Fiscal Agency was to provide nonpartisan budgetary analysis to members of the House of Representatives. His choice for HFA director was old Wyandotte associate, John W. (“Wes”) Beadling, who, while not a professional analyst, surrounded himself with many qualified staffers.

In 1974, Copeland was defeated for re-election, paving the way for the ascendancy to the Appropriations Committee chairmanship by Dominic Jacobetti of Negaunee. In 1977, Jacobetti fired Beadling and installed as director of HFA, John Morberg, a young fiscal analyst who was less interested in the political independence of HFA than Beadling had been.

On January 15, 1993, the headline of *The Detroit News* read “State fiscal watchdog under fire.” The article, written by Mitzelfeld, opened the lid on what was, to that time, the greatest scandal in Michigan government history. Over a period of weeks, the newspapers, the Michigan attorney general, and Michigan auditor general uncovered intrigue that involved embezzlement of petty cash, inflated pension payments and unauthorized bonuses to HFA employees with kickbacks to Morberg, payments to Morberg’s live-in girlfriend, payments to outside “consultants,” usually friends of Morberg, who provided no consulting services, and a scheme to import coffee from Tanzania.

Perhaps the strangest of the many strange revelations involved a former CRC staff member, Warren Gregory, who had been a research associate in the CRC Lansing office in the early 1970s, before joining HFA. In 1991, he and Morberg journeyed to Yugoslavia in an attempt to arrange for the sale of AK-47s, anti-tank TOW missiles, and claymore mines to Croatia. This was apparently in response to requests from Gregory’s wife, who was Croatian. It was not clear how much state money may have been spent for this, but \$3,200 in petty cash had been disbursed to Gregory at the time.

Morberg was removed from his position and seven other HFA employees were fired or suspended.

On Friday evening, February 5, 1993, CRC senior research associate in the Lansing office, Robert McKerr and his wife, Barbara, had settled down to watch the local six o’clock newscast. He was jolted by the story that he had been asked to become the interim director of the House Fiscal Agency. Five minutes later, co-speaker of the house, Paul Hillemonds, called him, asking him to serve for three months to help restore the credibility of HFA. CRC quickly granted him a leave of absence.

Rep. Don Gilmer, co-chair of the House Appropriations Committee following Jacobetti’s ouster, was reported to say, “He wasn’t overly interested in the job. But he has a reputation that’s respected far and wide.” Indeed, he was called “Mr. Clean” by the *News*.

He found an agency in disarray, but also found that the remaining staff was better than he had expected. He particularly appreciated the analytical capabilities of Mary Ann Cleary, who later became HFA head. McKerr was successful in guiding HFA until a permanent director could be chosen—former CRC research associate, James Haag.

Final audit figures found that approximately \$1.8 million had been misspent by Morberg and his associates. In 1994, Morberg was sentenced to 78 months in federal prison. Warren Gregory, who died in 2013, was also sentenced to prison.

Changes at CRC in the 1980s

In April 1984, research director Earl Ryan accepted the position of executive director of the Public Affairs Research Council of Louisiana. Jim Williams assumed the position of CRC research director in August. In late 1987, Ryan, then with the Indiana Fiscal Policy Institute, consulted with a group in Alabama, headed by former Alabama governor Albert Brewer, that wished to form a governmental research organization to be located at Samford University in Birmingham. The Public Affairs Research Council of Alabama was soon formed and their choice for executive director was Jim Williams. Williams was succeeded by Paul Good, who had been with SEMCOG.

CRC board chairs in the 1980s and early 1990s were Norman Weston (National Bank of Detroit) (1979-81); Robert Magill (General Motors) (1982-88); Will Scott (Ford) (1988-91), Daniel Kelly (Touche Ross) (1991-93), and Louis Betanzos (National Bank of Detroit) (1993-95).

1985

The Financing of Adult Education in Michigan criticizes diversion of adult ed funds

1986

Criticizes legal primacy of the *Public Employee Relations Act* (PERA)

1987

Questions constitutionality of judgment levies



Into a New Millennium

1988

Lansing office moves to 1502 Michigan National Tower

1988

Will Scott, Ford, becomes chair

1989

Survey of county organization in Michigan

1990

Analyzes effectiveness of *Local Government Fiscal Responsibility Act*

Bob Queller retired from CRC on November 30, 1994. Even during the Miller and Pickup years, Queller was increasingly the embodiment of CRC, the keeper of the research ethic, and the staff leader. His research skills were, in large measure, responsible for the impeccable reputation of CRC for accuracy and objectivity. Like Upson, he was a teacher, patient with those who lacked his knowledge, experience, and intellect. And, like Upson, he wanted to see those he mentored reach their full potential, whether at CRC or elsewhere. He was, next to Upson, probably the most consequential staff figure in CRC's first hundred years.

In many respects, Queller's successor was a natural choice. Earl M. Ryan came to the position of executive director with 10 years of experience with the Council and 10 years of experience heading two other governmental research organizations.

Ryan was born in Detroit and grew up in Royal Oak, attending the Royal Oak public schools. He was graduated from the University of Michigan in 1964 with a bachelor's degree in political science and immediately entered the political science program at Wayne State, where he studied under professors who, three decades earlier, had formed the nucleus of the academic component of the Detroit Bureau and the School of Public Administration and Social Work, Charles Shull, Louis Friedland, and Donald Hecock. He did not realize at the time that he was being influenced, however indirectly, by Lent Upson.

In 1965, he married Jo Ellen Junod. They have two sons, a granddaughter and grandson.

In 1967, he was informed by CRC research associate Michael Meagher, whom he had met while a graduate student, that there was a vacancy in the CRC Lansing office, created by the departure of Stuart Paterson. Ryan began his CRC career in September of that year.

In 1970, Ryan left CRC to spend the next seven years in state government, largely with Meagher, in program effectiveness review for the executive branch and then for the legislature in the Legislative Program Effectiveness Review unit in the House Fiscal Agency, which was disbanded when Dominic Jacobetti assumed control of the House Appropriations Committee and installed John Morberg as head of HFA. He returned to CRC in September 1977, becoming research director in 1979.

In 1984, on Bob Queller's recommendation, he applied for the job of president of the Public Affairs Research Council of Louisiana (PAR) and in November 1984, became the fourth president of PAR. He was not there long, however, because in 1986, while president of the Governmental Research Association, he was contacted by a group attempting to form a research agency in Indiana. Shortly afterward, he was offered the opportunity to be the first president of the Indiana Fiscal Policy Institute, a position he held for 7½ years.

Following his arrival at CRC in November 1994, Ryan's first initiative was to broaden the base of funding of the organization, which at the time was heavily weighted toward business/professional support. He was concerned that economic volatility



Earl Ryan

could create serious problems for CRC unless its financial base was diversified. The base would consist of 1) business/professional support; 2) foundation support; and 3) earnings from an endowment.

An Independence Campaign was ultimately launched in 1999 and an amount exceeding \$5 million was contributed to the fund, which greatly aided CRC in coping with the loss of auto industry support during the Great Recession.

Highway Finance and Governance

Governor John Engler was the guest speaker at the CRC Annual Meeting in 1995 and, in an almost off-the-cuff comment, raised the question of whether county road commissions had outlived their usefulness. CRC senior research associate, Eric Luper, was assigned the task of answering the question.

The report, *Michigan Highway Finance and Governance*, issued in 1996, found that there were problems more basic than road commissions. It concluded that jurisdictional responsibility for roads was outdated; no systematic assessment of highway needs was employed; no method of assuring that the best materials or construction methods are employed was used; and, finally, provisions in the highway funding formula based distribution of state dollars on the basis of highway miles, not usage, thereby rewarding rural areas at the expense of urban areas. (This was a problem identified by CRC 40 years earlier.)

Governor Engler proposed enactment of CRC's reform ideas in 1997, but only increases in the state motor fuel taxes and motor vehicle fees were adopted to provide additional funding for Michigan's crumbling roads. The issue would resurface in later years.

Michigan Highway Finance and Governance won the 1997 award for Most Distinguished Research from the Governmental Research Association, the first time CRC had won the award since 1965.

Robert E. Pickup, 1914-1998. Bob Pickup died at his Marco Island home on February 20, 1998, at age 83. His 20 years as head of CRC had been exceeded only by Lent Upson's 28 years. Even in retirement, he was always available to provide advice and counsel on the management of governmental research organizations, advice that was always wise to take.

Michigan's 10-Year Budget Crisis

Although identified with the administration of Governor Jennifer Granholm, Michigan's structural budget deficit of the 2000s actually had its origins in the administration of her predecessor, John Engler. The economy of the 1990s had been very strong, emboldening the Legislature to approve a phase-in of reductions in the personal income and single business taxes. When the dot-com bubble burst and the economy began its slide, policy makers chose not to suspend or reverse the planned reductions. The combination of a weak economy and falling tax rates was toxic to the state budget.

CRC was fortunate to have brought out of retirement from state service as state budget chief and deputy state treasurer, A. Thomas Clay, who became CRC director of state affairs beginning in 1997. Clay provided the first analyses, in 2001, of the state budget that showed that a deficit was inevitable and that, by Fiscal Year 2004, would become difficult to manage. But the state began to use a strategy of using one-time sources to maintain spending in the face of falling revenues, a strategy that was maintained for five years. By FY2008, the state had used an astonishing \$8.1 billion in one-time resources to paper over the ongoing imbalance between revenues and expenditures.

During this time, Clay made over 400 presentations to interested groups in every

1990

Comments on slow pace of reduction in number of school districts

1991

Daniel J. Kelly, Deloitte, becomes chair

1992

Alternative Funding Strategies for the Support of Regional Cultural Facilities in Southeast Michigan

1993

CRC staffer Robert McKerr becomes interim director of House Fiscal Agency following major scandal



Tom Clay

corner of Michigan, securing his reputation as the go-to expert on the state budget problem. His stature was recognized by Governor Granholm, who asked him to be Michigan State Treasurer in 2006. Clay, however, had found a professional home at CRC and chose to close out his career with the Council.

In the last of Tom Clay's analyses of the problem, *Michigan's Fiscal Future*, issued in May 2008, CRC found that the structural deficit had not been solved and that spending levels had been maintained at the cost of a seriously depleted financial condition. The report concluded that:

The state budget process contains nothing that forces consideration of the long-term consequences of current policies. As a consequence, policies are often adopted, which, although affordable at the time of adoption, may contain elements of growth that result in budgetary pressure in subsequent fiscal periods.

Michigan's Fiscal Future was aimed at encouraging long-term financial thinking, difficult in an era of term limits. It won the 2008 Governmental Research Association award for Most Distinguished Research.

Tom Clay retired from CRC in 2008. What most people did not know is that he had been struggling with cancer for nearly the entire period that he was with CRC. The disease finally took him on September 2, 2015, at the age of 74.

1993

Questions incentives in unrestricted revenue sharing

1993

Louis Betanzos, National Bank of Detroit, becomes chair

1994

Robert L. Queller retires; succeeded by Earl M. Ryan

Drivers of Budgetary Growth: Health Care and Corrections

Two components of the Michigan budget were disproportionately responsible for budgetary growth in this period: Health care, primarily Medicaid, and corrections.

HEALTH CARE. In 1999, Stuart Paterson, who had been in the CRC Lansing office in the mid 1960s before becoming the first director of the Michigan Medicaid program, rejoined CRC, after 13 years as chief financial officer of Lutheran Social Services in Detroit. Paterson produced numerous reports on health care detailing its impact on the state budget, cataloging some 151 state-operated health programs, and examining the evidence on the Michigan Certificate of Need program.

CORRECTIONS. In 2008, CRC analysis showed that the primary factor in Michigan's above-average incarceration rate, was not the number of convictions, but the length of stay, which exceeded the national average by more than 50 percent. The report initiated a policy debate that resulted in reductions in the Michigan prison population.



Stuart Paterson

Intergovernmental Relations

As the Michigan economy stagnated in the 2000s, local governments faced difficult choices. Most had reduced expenditures by as much as they could and increasing taxes was either legally or politically out of the question. The other choice was that of collaborating with other units of government to achieve economies otherwise unavailable.

INTERLOCAL COOPERATION. In 2004, CRC received foundation funding to identify legal provisions regarding interlocal delivery of services and delineating methods of interlocal cooperation and merger of local units. The first report was a catalog detailing the means of delivery of services based on a survey of 467 local units to determine whether the services were delivered by the unit itself, a private provider, or another unit. The second report was a survey of the legal authorization for interlocal agreements and intergovernmental cooperation. The final report provided a framework for considering the merits of interlocal cooperation, namely, whether the function is labor intensive, capital intensive, or technically intensive.

The reports resulted in numerous requests from local units for assistance in assessing the prospects for interlocal arrangements in their areas. Movement was sluggish, however, because local issues constituted significant, in some cases, insurmountable, barriers. It won the 2009 Governmental Research Association award for Most Distinguished Research.

STATE MANDATES. In response to numerous complaints from local units that the state was not living up to this provision, the legislature created a Commission on Statutory Mandates to investigate the question. The 2009 CRC report to the Commission, *Reforming the Process for Identifying and Funding Section 29 Mandates on Local Government*, found that Section 29 mandates were routinely ignored by all branches of state government and identified reforms to address the issues based on practices in other states. This report won the 2010 award for Most Distinguished Research from the Governmental Research Association.

The CRC Board: A Record of Firsts

During the period 1995 to 2009, three chairs of the CRC Board of Directors could claim firsts: S. Martin Taylor, vice president of DTE Energy, was the first African-American chair of CRC, serving from 1995 to 1998; Amanda Van Dusen, attorney with Miller Canfield, succeeded Taylor, becoming the first female chair of CRC, serving until 2001. Her father, Richard Van Dusen, a Con-Con delegate, was also on the CRC board from 1987-1991, making them the only father-daughter members of the CRC Board of Directors (this was duplicated on the Board of Trustees with Patrick J. Ledwidge and Anne Mervenne); and Kent Vana, attorney with Varnum Law in Grand Rapids, became the first chair from western Michigan. Vana served from 2004 to 2007.

Also during this period, Irving Rose, the longest serving board member in CRC history (1972-2008) retired. During his tenure with CRC, he was always the most generous individual contributor to the organization.



S. Martin Taylor (l to r), Amanda Van Dusen and Kent Vana

1995

Managing the Relations Between State and Local Government and Casinos

1995

S. Martin Taylor, DTE Energy, becomes first African-American chair

1996

Michigan Highway Finance and Governance

1996

CRC main office moves to 38200 W. Ten Mile in Farmington Hills

1997

CRC website
launches



Another County Adopts a Charter

In 2009, Macomb County became the second county to employ the provisions of the Home Rule County Act when its voters adopted a charter providing for a smaller board of commissioners and an elected executive. CRC had analyzed Macomb County charter issues in 1986 and again in 1989.

CRC senior research associate, Bettie Buss, provided technical assistance to the Macomb charter commission.



Bettie Buss

The Award-Winning CRC Website

For over 80 years, the principal medium for communicating the results of CRC research was the printed word. In 1997, CRC went online with crcmich.org. Developed by CRC senior research associate Eric Lupher, the CRC website was an immediate success. Replete with access to all current and many previous CRC reports, links to other valuable sites, and other interactive features, the site brought about a quantum increase in CRC utilization.

In 1998, the Michigan Electronic Library called crcmich.org the “gold standard” of Michigan public policy websites and, two years later, in an unusual move, the Governmental Research Association gave its 2000 award for Most Original Presentation, not to a report, but to the CRC website.

1998

CRC main offices
move to 38777
Six Mile Rd. in
Livonia

1999

Amanda Van
Dusen, Miller
Canfield,
becomes first
female chair

2000

Analysis of
*Proposal 01-
School Choice*

Friday the Thirteenth

In 2006, the Kresge Foundation approved a challenge grant to CRC, which provided that, if CRC could raise \$6.1 million from all sources by early 2009, Kresge would supply \$1 million to the CRC Independence Campaign. The Council was on track to meet the challenge when the economy went into a tailspin and support for CRC began to plummet.

In late February 2009, Earl Ryan received a call from Laura Trudeau, senior program director at Kresge. Her question was, “Is CRC going to meet the challenge?” Ryan replied that, given the economy, it was unlikely. “That’s what I thought you’d say,” she said. “I’ll get back to you.”

Late on the afternoon of Friday, March 13, 2009, Ryan received another call from Trudeau with the news that the board of trustees of the Kresge Foundation had met and removed the necessity of meeting the challenge.

A few weeks later, CRC received payment of \$1 million from the Kresge Foundation, the largest single grant in CRC history.

EARL RYAN RETIRES. Earl Ryan retired from CRC on October 31, 2009, after 25 years with CRC in three separate stints and 25 years as executive director of three separate governmental research organizations. As adjunct professor of political science at Wayne State University, he then taught a class in the graduate program in public administration entitled “Practical Public Policy Analysis.” In 2014, at the request of the Financial Services Volunteer Corps, a private organization with ties to the U. S. Department of State, Ryan traveled to Tunisia to assist a group attempting to establish a governmental oversight agency in Tunisia, following the Arab Spring.

The Governmental Research Association

Within a span of four years from 1912 to 1916, before he was 30 years old, Lent Upson was responsible for the creation of three organizations concerned with governmental research: The Dayton Bureau of Municipal Research, the Detroit Bureau of Governmental Research, and the Governmental Research Association (GRA).

GRA was formed in 1914 to facilitate an exchange of ideas among the growing number of municipal research bureaus. Its first secretariat was located at the Bureau of Government at the University of Michigan from 1918 to 1921, but lack of funding over the years has meant that the function of secretariat has been largely voluntary and thus limited in scope.

It was, for many years, the only organization concerned with the subject of public administration and there were many members from colleges and universities. There were discussions concerning closer ties between university faculties and the bureaus of municipal research. However, with the notable exception of the collaboration between the Detroit Bureau and Wayne University in the mid 1930s, little came of this. In fact, in 1939 a break occurred between the political scientists and the governmental research practitioners, with the academics forming the American Society for Public Administration (ASPA).

Since then, GRA has focused on maintaining communication among its members by producing a directory, holding an annual conference and having an annual competition to encourage excellence in governmental research.

Detroit Bureau/CRC Presidents of GRA. Lent Upson was the first president of GRA, serving from 1914 to 1916 and then again from 1925 to 1926. Otto Kirchner, the first president of the Detroit Bureau Board of Trustees, was GRA president from 1917 to 1919, the first and only trustee of a GRA organization to hold the position. All others have been researchers. Other GRA presidents from CRC have been Robert E. Pickup (1948-1950), Earl M. Ryan (1984-1986), and Eric W. Lupher (2012-2014).

Many other GRA presidents were previously on the staff of the Detroit Bureau/CRC or were graduates of the organization's fellowship program. They included: Robert M. Goodrich (1933-1934), Howard Fishack (1936-1937), Carl P. Herbert (1946-1948), Richard C. Spaulding (1968-1970), Raymond R. Carmon (1970-1972), and James W. Williams (1989-1991)

The Frederick P. Gruenberg Award. Frederick P. Gruenberg was director of the Philadelphia Bureau of Municipal Research from 1915 to 1923 and then mixed a business career with stints in public service. In 1975, GRA created an award named after him for "individuals who have made outstanding contributions to

Bureau research is recognized with a Certificate of Award by the Governmental Research Association

2000

Avoiding Local Government Crisis: The Role of State Oversight

2001

CRC projects structural state budget deficit

2002

W. Frank Fountain, Chrysler, becomes chair



2004

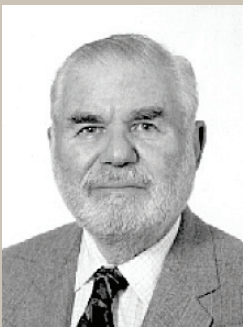
CRC initiates major analysis of interlocal cooperation

2005

Kent J. Vana, Varnum, becomes first chair from west Michigan

2008

Eugene A. Gargaro, Jr., Masco, becomes chair



Irving Rose

2008

Irving Rose steps down from board after serving 36 years

governmental research.” The Gruenberg award has been presented to three members of CRC: Robert E. Pickup (1980), Robert L. Queller (1995), and Earl M. Ryan (2011).

GRA Awards. Among the most anticipated events at the annual conference of GRA are the awards presented for excellence in various aspects of governmental research. The awards program began in 1933. The top award, originally called “the Most Noteworthy Piece of Research,” is the award for Most Distinguished Research. Other awards are made for original presentation, effective presentation, and policy achievement. The Bureau and CRC have an enviable record in the GRA effective education awards competition:

GRA awards won by the Detroit Bureau and CRC

Year	Award	Winning Entry
1934	Noteworthy Piece of Research	<i>The Government of the Detroit Metropolitan Area</i>
1936	Noteworthy Piece of Research HM*	<i>Experiments in the Mental Testing of Detroit Policemen</i>
1948	Noteworthy Piece of Research HM*	<i>Budget Backgrounds</i>
1952	Effective Presentation CD*	<i>The Case for Reorganization</i>
1953	Noteworthy Piece of Research HM*	<i>Reapportionment of the Michigan Legislature</i>
1959	Effective Presentation CD*	<i>Michigan Fiscal Trends, 1948-1957</i>
1961	Effective Presentation CD*	<i>A Primer on State Government Organization in Michigan</i>
1962	Distinguished Piece of Research	<i>A Comparative Analysis of the Michigan Constitution</i>
1963	Effective Presentation	<i>A Digest of the Proposed Constitution</i>
1965	Distinguished Research	<i>Staff Studies on Higher Education Finance</i>
1970	Effective Brief Presentation	<i>Taxes on Industry and Individuals</i>
1970	Effective Presentation	<i>Public Education in Michigan</i>
1973	Effective Presentation	<i>About Michigan Job Needs in the 1970s</i>
1975	Effective Brief Presentation	<i>Michigan Building & Construction Trades Craft Manpower Study</i>
1995	Distinguished Research CM*	<i>Managing the Relations between State & Local Governments and Casinos</i>
1997	Distinguished Research CM*	<i>Funding Community Mental Health in Michigan</i>
1998	Distinguished Research	<i>Michigan Highway Finance and Governance</i>
2000	Original Presentation	<i>Citizens Research Council of Michigan Website</i>
2001	Original Presentation	<i>Proposal 00-1 of 2000: School Choice in Michigan</i>
2002	Distinguished Research CM*	<i>Outline of State of Michigan Health Programs</i>
2003	Distinguished Research CM*	<i>Public Policy Issues in the Financing of Michigan Hospitals</i>
2004	Outstanding Policy Achievement	<i>Avoiding Local Government Crisis: The Role of State Oversight</i>
2007	Effective Education CM*	<i>Analyses of Statewide Issues on the General Election Ballot</i>
2008	Distinguished Research	<i>Michigan's Fiscal Future</i>
2009	Distinguished Research	<i>Approaches to Consolidated Local Government Services</i>
2009	Effective Education CM*	<i>Proposal 2008-02: Human Embryonic Stem Cell Research</i>
2010	Distinguished Research	<i>Reforming the Process for Identifying and Funding Section 29 Mandates on Local Governments</i>
2011	Effective Education CM*	<i>Michigan Constitutional Issues</i>
2014	Effective Education	<i>Medical Costs of No-fault Automobile Insurance</i>
2014	Distinguished Research CM*	<i>Reform of Michigan's Ballot Question Process</i>

*HM: Honorable Mention CM: Certificate of Merit CD: Certificate of Distinction



On the Threshold of CRC's Second Century



Photo courtesy of Public Sector Consultants, Inc.

Jeffrey P. Guilfoyle

To succeed Ryan, the CRC board chose to go outside of the organization and selected Jeffrey P. Guilfoyle, a Michigan Department of Treasury economist responsible for executive branch revenue projections. A New York City native, Guilfoyle took the Staten Island Ferry every day to attend high school in Manhattan. He came to Michigan in 1987 to attend the University of Michigan, where he earned a Phi Beta Kappa key. For his graduate work, he attended Michigan State University, where he received his master's degree in economics in 1996 and his Ph.D. in 1998.

Prior to joining CRC, Guilfoyle was director of the Office of Revenue and Tax Analysis in the Michigan Department of Treasury, where he established an enviable record of economic and revenue forecasting during a particularly difficult period of budgetary stress. Although not in the Lent Upson tradition, Guilfoyle brought such highly developed research and analytical skills to the table that there was no question that he could manage the CRC program.

Michigan Emerges from a Single-State Recession

From 2000 to 2009, Michigan was last among the states in population growth, growth in real per capita gross domestic product, and employment. In per capita personal income, Michigan fell from 19th in 2000 to 41st in 2009. Recovery from the Great Recession began in 2009 and Michigan began its climb back toward economic vitality.

STATE FINANCES. CRC maintained steady monitoring of the state's financial condition even after the worst of the crisis. Although budgetary recovery was shaky at first, by 2012, CRC was able to point to an improved cash position and contribution to the rainy day fund, which had been emptied years before. As 2016 approached, the budget had stabilized and revenue collections were sufficiently strong to permit the state to consider addressing crises in Detroit school funding and the Flint water supply.

Robert L. Queller, 1929-2010. Bob Queller died on March 10, 2010, at the age of 80. For four decades, to its everlasting benefit, the research product of CRC bore his stamp.

Education Policy

The decline in Michigan school performance has placed education issues front and center in policy debates. From 2010 to 2013, CRC issued a series of reports on

2008
Michigan's Fiscal Future

2008
Sentence duration identified as most significant cause of prison population growth

2009
Reforming the Process for Identifying and Funding Section 29 Mandates on Local Government

2009
CRC staff assists Macomb County in successful effort to adopt charter

education policy that addressed the basic questions of the necessary level of education funding, how schools can best be organized and governed, the importance of early education, teacher training and compensation, and the appropriate nature of a state response to school district financial distress.

2009

CRC receives \$1,000,000 grant from Kresge Foundation

2009

Earl M. Ryan retires; succeeded by Jeffrey P. Guilfoyle

2010

CRC notes possibility of City of Detroit bankruptcy

2011

Options presented for reforming constitutional legislative apportionment and districting provisions

CRC Board Chairs at the End of Its First Century



Eugene Gargaro

Jeffery Bergeron, managing partner of Ernst & Young, was chair from 2011 to 2014. Terence Donnelly, partner of Dickinson Wright PLLC, has been chair from 2014 to present. Although he left the Board of Directors, he remained as a member of the CRC Board of Trustees along with his wife, Stephanie, the president of Walsh College, making the Bergerons the only husband-wife members of any CRC Board.



Jeffrey Bergeron

Local Financial Emergencies and Bankruptcy

With a focus on municipal finance, CRC has maintained a steady involvement in the state's efforts to oversee the finances of local governments.

In 1990, CRC looked at the issue of state oversight of financially troubled local governments and concluded that the "triggers" for state intervention (factors indicating weakening financial conditions) may have been inadequate. In a thorough review of the issue in 2000, *Avoiding Local Government Crisis: The Role of State Oversight*, the Council concluded that a more proactive role for the state would be appropriate. The project won the 2004 award for Outstanding Policy Achievement from the Governmental Research Association.

This focus carried over to work that led up to Detroit's bankruptcy. In 2010, CRC concluded a review of the options available to the City of Detroit to deal with its debt, legacy costs, and declining tax base with this ominous statement: "If the resolution of a financial emergency requires abrogation of contracts, only bankruptcy will provide the necessary authority." The following year, the Council pegged the total of legacy costs and indebtedness of the City at \$14 billion. Detroit had reached the crisis point.

Following a financial review team report, Governor Rick Snyder appointed noted bankruptcy attorney Kevyn Orr as emergency financial manager in February 2013. By May, a report was issued by Orr to the effect that the City was insolvent and running an annual deficit that was approaching \$400 million. On July 18, 2013, the City filed for Chapter 9 bankruptcy protection in U. S. Bankruptcy Court. The estimated \$18-20 billion long-term debt made it the largest municipal bankruptcy filing in U. S. history.

To the surprise of many, the City emerged from bankruptcy 17 months later, in November 2014, and under a new mayor appeared ready to mount a comeback. The picture was not as rosy for the Detroit Public Schools, however. In January 2016, CRC defined the problem of DPS in stark terms. DPS had a total of \$3.5 billion in long-term obligations, consisting of \$1.9 billion in legacy costs and cash flow borrowings and nearly \$1.7 billion in multi-year bonds and notes and state loans. The complication was that, as a school district, the state bore greater responsibility that it would have for a home rule unit, such as a city. The 2016 Michigan Legislature entered its

session with no clear answers.

Health Care Policy

Beginning early in its existence, the Detroit Bureau concerned itself with various health-related issues—sewage treatment, Herman Kiefer Hospital, and mental health care. CRC continued this interest in the 1950s with its major review of Wayne County General Hospital. In the 1960s, with the advent of Medicaid, CRC began its concern with health care expenditures as a major driver of government spending, a concern that continues to this day.

Health care policy analyses in the last years of CRC's first century included studies on Medicaid, health care cost drivers, the impact of no-fault auto insurance on medical costs, the impact of obesity, and Michigan's primary care physician shortage.

Direct Democracy and Representative Government

With the recurring question of calling a constitutional convention on the 2010 ballot, CRC conducted the most intense analysis of the state's constitutional issues since the period leading up to the 1961 Constitutional Convention.

INSERTING LEGAL CODE INTO THE MICHIGAN CONSTITUTION. As with the 1908 Constitution, the 1963 Constitution has gradually become laden with provisions more appropriately found in statute. In 2012, CRC argued for a concise, understandable constitution, unencumbered by detailed provisions of a statutory nature. The Council noted that several of the issues on the 2012 ballot would have violated that principle.

CONGRESSIONAL AND LEGISLATIVE DISTRICT REFORM. Representative districts should, in fact, be representative. Michigan has not been able to adopt a process that will assure that representativeness actually occurs. In 2011, CRC suggested several changes to the Michigan Constitution that would help make it happen, including establishing a redistricting commission; establishing appropriate redistricting procedures; minimizing population variance among districts; ensuring contiguous districts; adhering to political boundaries; and protecting communities of interest. The report underscored the century-long commitment of the Detroit Bureau and CRC to the proper functioning of the basic institutions of government.

INITIATIVE AND REFERENDUM REFORM. Among the issues involved in the initiative process is that of the petition circulated among voters to gain access to the ballot. Concerns have developed related to misrepresentation of the ballot proposal, whether intentional or not. In 2014, CRC's report *Reform of Michigan's Ballot Question Process*, proposed a "front-loaded" process that might eliminate some petitions and bring greater clarity to the rest. Such a process would include a brief summary of the issue on the petition itself, state prepared forms, an advisory opinion from the Michigan Supreme Court, fiscal and legal notes from legislative staff, and a disclosure of funding.

The Upson-Miller Fellowship Program Comes to an End

In 2015, after 70 years of operation, the CRC fellowship program closed. First known as the Volker fellowship, then, after the collapse of the Volker Fund and the assumption of funding by the Earhart Foundation, as the Upson fellowship and, finally, the Upson-Miller fellowship, the program provided financial and educational support to more than 130 students doing graduate work in fields related to public policy. Many of the fellows became members of the CRC research staff, including John Keith, Eldon Sneeringer, Ralph Michener, Morris Hickman, Robert Endriss, Charles Sturtz, William Carter, Stuart Paterson, John Schrier, Craig Thiel, Jill Roof, and CRC presidents, Robert Queller and Eric Lupher.

With the closing of the Earhart Foundation at the end of 2015, funding for the CRC Fellowship program ended.

2011

Jeffrey D. Bergeron, Ernst & Young, becomes chair

2014

Jeffrey P. Guilfoyle leaves; succeeded by Daniel H. Krichbaum



Daniel H. Krichbaum

2014

Illness forces Daniel H. Krichbaum to step down; succeeded by Eric W. Lupher



This 2016 image shows the CRC's staff members, from left to right: Eric Lupher, Nicole Bradshaw, Craig Thiel, Sharon Martin, Bob Schneider, Greta Reade. Missing: Otniel Chis, Jennifer Bright (contract).

2014

Terence M. Donnelly, Dickinson Wright, becomes chair

2014

Reform of Michigan's Ballot Question Process

CRC Closes Out its First Century

Jeff Guilfoyle left CRC in February 2014 and joined Public Sector Consultants, a highly-respected policy research organization located in Lansing, closer to Jeff's home in Holt than CRC's main office in Livonia.

To succeed Guilfoyle, the CRC board moved in an unprecedented direction. Rather than place an experienced researcher in the president's position, the board chose to address the CRC problem of financial support, which had been exacerbated by the withdrawal of support of the Detroit Three at the time of the Great Recession. To do this, it reached out to Daniel H. Krichbaum. An Ohio native, Dan earned a bachelor's in sociology from the College of Wooster, a master's in divinity from the Union Theological Seminary at Columbia University and a Ph.D in the philosophy of education from Wayne State University. He was married to Susan Corbin who, as director of community relations for the Auto Club, had managed the CRC annual contribution.



Eric Lupher

Krichbaum came to Detroit in 1967 and spent a career in interfaith and interracial relations, becoming chief executive officer for the Michigan Roundtable for Diversity and Inclusion. He became Chief Operating Officer for Governor Jennifer Granholm in 2007 and was appointed Director of the Michigan Civil Rights Commission by Governor Rick Snyder in 2010. He retired from that position in 2013 and became the seventh

president of CRC on March 19, 2014.

Recognizing that Krichbaum's background did not include governmental research, the Board elevated long-time CRC staff member and director of local affairs, Eric Lupher, to the position of research director. Krichbaum would then be responsible for fundraising and general administration, while Lupher would be responsible for the research program.

This arrangement lasted only a few months. Krichbaum was diagnosed with cerebral amyloid angiopathy and was forced to step down in August 2014. He died of a cerebral hemorrhage on February 3, 2015, at the age of 72.

Eric Lupher became the eighth president of CRC on September 12, 2014. It was fitting that a lineal descendant of the Upson tradition would lead CRC into its second century.

In the mold of Bob Queller, Eric Lupher has spent his entire professional career with CRC. He received his Bachelor's degree in international relations from Michigan State University in 1986 and then became an Upson-Miller Fellow with CRC at Wayne State in 1987. After receiving his Master's degree in public administration, Lupher joined the permanent staff in 1989 as a research associate, later becoming Director of Local Affairs.

He had both research and technical skills that made him a particularly valuable member of the staff. He could produce reports on a wide variety of topics and also format them for either printing or distribution on the Internet.

In his nearly three decades with CRC, his efforts have resulted in awards from the Governmental Research Association for highway funding, the CRC website, state response to local government fiscal crises, approaches to consolidating local government services, and reform of the process for state funding of local government mandates. He is also recognized nationally, having served as president of the Governmental Research Association and as vice-chairman of the Governmental Accounting Standards Advisory Council, a user-oriented advisory body for the Governmental Accounting Standards Board (GASB).

Much of Eric's work in the 2000s revolved around local government cooperation, and he became sought after as a resource for jurisdictions that were considering either merger or the joint provision of services.

Centennial Members

Over the period of a century, some of the original supporters of the Detroit Bureau have ceased operation—Packard, Crowley Milner, First and Old Detroit Bank, for example. One—Ford—stayed with CRC until the Great Recession of 2007-09. Two, however, have supported the Detroit Bureau and CRC continuously over the entire 100 years—Comerica Bank and the law firm of Miller, Canfield, Paddock, and Stone.

The Detroit Trust Company, which later became Detroit Bank and Trust, and, still later, Comerica, was, in 1916, headed by Ralph Stone, one of the three most active of the Detroit Bureau founders. Miller Canfield was represented on the Detroit Bureau board by Sidney T. Miller, son of Sidney D. Miller, founder of the firm. Miller was instrumental in the merger that created Detroit Trust.

2015

Earhart Foundation closes and ends support of CRC fellowship program after more than 60 years

2016

Tabulates legacy costs and debt of Detroit Public Schools

April 13, 2016

CRC celebrates 100th Anniversary



Epilogue: “To Make Democracy Work”

In its pursuit of efficiency, accountability, and equity in state and local government in Michigan, several themes have characterized the work of the Citizens Research Council of Michigan.

STATE AND LOCAL FINANCE. From the framing of the first executive budget for the State of Michigan in 1919, to adoption of the Local Government Budgeting Act in 1978, to the identification of structural deficits in the early 1980s and 2000s, to the analysis of the financial problems of the Detroit Public Schools in 2016, CRC has focused on both financial administration and the financial condition of government in Michigan. Virtually every year found the Council producing analyses of the state budget or the budgets of Detroit and Wayne County. Consistently, the goal was that of assuring long-term balance in budgets and accountability in public taxing and spending.

STATE AND LOCAL ORGANIZATION. The effective provision of public services depends on efficient, accountable organization characterized by responsibility focused in a single executive and a minimum of overlap and duplication in the organization chart of the governmental unit. CRC raised these issues over and over, from its first analysis of county organization in 1921, to the Little Hoover studies of the 1950s, to its local administrative surveys in the 1960s, to its organization plan for Wayne County as a charter unit.

TAX POLICY. Taxation can be exceedingly complex. Beginning with problems of equitable property tax assessment in the 1920s, to tax studies in the 1930s and 1950s, and tax changes since then, and analyses of countless ballot issues, both state and local, relating to tax limits, CRC has provided understandable explanations of the issues involved.

In 1963, CRC launched its most popular publication, *Outline of the Michigan Tax System*. Through many revisions, it has maintained its position as the most useful ready reference on all taxes levied by the state and its local units.

METROPOLITAN GOVERNMENT/INTERGOVERNMENTAL RELATIONS. As Detroit expanded its boundaries in the 1920s, the Detroit Bureau came up with rationales for metropolitan area provision of services, such as water and sewer, recreation, and transportation. The concern for reducing the barriers to intergovernmental services has continued, highlighted by CRC’s work in bringing about the Southeast Michigan Council of Government in the late 1960s, and its recent work on interlocal cooperation.

Intergovernmental financial relations have also been a focus. CRC has continually monitored the development of revenue sharing from the sales tax diversion amendment of 1946 to the erosion of statutory revenue sharing in the 2000s, to current efforts to restructure revenue sharing.

EDUCATION. Both education finance and organization have been constant targets of CRC analyses. A great many reports have been issued, highlighted by the study of school organization and finance in 1969, analyses of school finance since the adoption

of Proposal A in 1994, and the current problems of the Detroit Public Schools.

CRC also helped to lay the groundwork for the assumption of Wayne University by the State of Michigan.

HEALTH CARE. Early work by the Detroit Bureau involved institutional health care, including frequently Herman Kiefer Hospital. Later, CRC investigated Wayne County General Hospital at Eloise. More recent concern with health care has focused on health care expenditures under Medicaid and the impact of health care on governmental budgets.

INFRASTRUCTURE. The earliest Bureau report was on sewer construction, and infrastructure development in a growing city was an important part of the research agenda. Problems with highway finance were identified in the 1940s and CRC produced a comprehensive analysis in the late 1990s. Many analyses were made of bond issues for sewer, water, and roads.

CORRECTIONS. Jail and prison location in the early years of the Bureau were frequent topics. The Jackson prison riot in 1952 led to a major study of the operation of the state prison system and subsequent reforms. In 2008, CRC identified length of incarceration as the primary cause of a burgeoning prison population.

ELECTION POLICY. The Bureau recognized early on that unrepresentative drawing of legislative districts created problems of equitable provision of public services in Michigan. CRC has also consistently pointed out the problems for accountability in the selection of public officials created by the long ballot.

CONSTITUTIONAL ISSUES. Beginning with its monumental work during the 1961-62 Constitutional Convention, CRC has carefully monitored proposed changes to the Michigan Constitution as they have appeared in statewide ballot issues. CRC ballot issue analyses are used by the media and other organizations in formulating their positions on those issues.

The Larger Purpose of CRC

Although efficiency, accountability, and equity are laudable goals, they do not constitute the primary reason for the work of the Citizens Research Council of Michigan. In a democracy, to be effective in carrying out its vital role, government must have the confidence of its citizens. To the extent that government wastes resources, performs its functions out of public sight, and adopts policies that reward favored groups or individuals, that confidence can turn to cynicism and cynicism is the archenemy of a functioning, responsive democracy.

For one hundred years, the Citizens Research Council of Michigan has been critical of many aspects of government. But it has been criticism aimed at the policies and practices that undermine public support of government, not at the institution of government itself.

Lent Upson put it succinctly:

**The larger purpose of our kind of citizen concern
with government is to make democracy work.**

Appendix

Board Members: 1916-2016

The governing board of the Detroit Bureau of Governmental Research was called the Board of Trustees from 1916 until the Bureau became CRC, when it was renamed the Board of Directors. A new body, the Board of Trustees, then was created, which acts as the legal membership of the Council and which is responsible for electing the Board of Directors, but is not responsible for governance.

During the past century, 275 men and women have served as members of the Bureau Board of Trustees, the Council Board of Directors, or both. The following is a list of those public-spirited individuals.

Years of service	Member	Years as chair of the board	Years of service	Member	Years as chair of the board	Years of service	Member	Years as chair of the board
1916-20	Otto Kirchner	1916-20	1945-56	Frederick S. Ford		1960-65	Harry G. Bowles	
16-23,	Ralph Stone	1921-23	45-51	Ernest C. Kanzler		60-66	W. Tyrone Gillespie	
16-44	Emory W. Clark		1948-77	William R. Clark		1962	Frederick R. Eckley	
16-25	Joseph J. Crowley		1951-52	M. W. Arthur		1962-69	James B. Gordon	
16-19	Edward H. Doyle		51-63	Henry T. Bodman		62-65	Donald F. Kigar	
16-36	Norval Hawkins		51-56	W. Clark Dean		1963-72	Frederick B. Hunt	
16-23	Charles C. Jenks		51-54	Edward T. Gushee		63-76	William G. McClintock	
16-44	Eugene W. Lewis		51-56	Nicholas Kelley		1964-69	Guy S. Peppiatt	
16-17	Alvan Macauley		51-68	William A. Mayberry		1965-86	Walter R. Boris	
16-40	Sidney T. Miller		51-53	George Romney		65-71	W. D. MacDonnell	
1917-18	Homer Warren		51-52	George W. Kennedy		65-75	C. F. Ogden	
1919-43	Frederick T. DuCharme		51-56	Henry J. Muller		1966-73	Ray R. Eppert	1966-70
1920-38	Francis C. McMath	1923-29	51-77	Thomas R. Reid		66-78	Hugh C. Daly	
1921-26	Fred T. Murphy		51-60	Kenneth C. Tiffany		66-71	H. D. Doan	
1924-35	Frank H. Alfred	1929-33	1952-56	John J. Danhof		1968-71	Roland A. Mewhort	
24-25	James S. Holden		52-65	Lester R. Downie		68-73	Austin Smith	
1925-51	Charles T. Bush	1933-37	52-72	Max P. Heavenrich		68-79	C. Boyd Stockmeyer	
25-26	Arthur Waterfall		52-58	Claude A. Mulligan		1969-72	Charles E. Heitman	
1926-33	Alexis C. Angell		52-59	A, G. Ropp		69-76	Samuel E. MacArthur	
1927-28	Fred Wardell		52-57	George Russell		69-70	Albert B. Perlin	
1928-44	William B. Mayo		1953-56	F. L. Black		1970-73	John W. Paynter	
1931-51	Henry Shelden	1937-39	53-68	Frank N. Isbey		70-85	Stanford C. Stoddard	
1931-42	Charles B. Van Dusen		1954-68	Harold W. H. Burrows		70-77	Frank W. Misch	1970-72
1935-44	Alfred C. Marshall	1939-41	54-81	Clifford C. Christenson		1971-84	Louis G. Allen	
1936-59	George D. Bailey	1941-44	1955-62	Charles R. Landrigan		71-72	Carl A. Gerstacker	
36-54	Clifford B. Longley	1944-52	1956-58	Walter D. Baldwin		71-85	Donald E. Young	
36-44	Harry B. Earhart		56-64	Simon D. Den Uyl		1972-73	Harold Bosscher	
1940-44	Clarence W.		56-62	Malcolm P. Ferguson		72-73	James M. Smith	
40-45	S, Wells Utley		56-57	George T. Higgins		72-78	Allen W. Merrell	1972-76
1941-69	James A. Kennedy		56-59	A. I. Hawkins		72-97	Robert F. Magill	1982-88
41-44	Charles E. Wilson		56-58	Richard C. Lindland		72-08	Irving Rose	
41-51	Walter S. McLucas		56-72	Robert B. Semple		1973-75	Frank A. Colombo	
1942-50	Fred M. Zeder		1957-72	Richard C. Gerstenberg		73-77	James H. Dingeman	
1944-51	Howard E. Blood		57-82	E. H. Rydholm		73-82	Jack H. Shuler	
44-51	Leo J. Fitzpatrick		1958-65	Robert P. Briggs		73-78	Robert F. Dewar	
44-51	Harvey C. Fruehauf		58-70	Howard J. Stoddard		73-75	Jack D. Hegarty	
44-67	Meyer Prentis	1952-66	1959-69	Joseph L. Hudson, Jr.		73-75	Willam I. Miron	
44-51	Roy R. Williams		59-73	Kenneth Reames		73-77	J. G. Temple, Jr.	

Years of service	Member	Years as chair of the board	Years of service	Member	Years as chair of the board	Years of service	Member	Years as chair of the board
1975-82	Robert W. Lundgren		88-91	John A. Simonson		02-07	Joshua D. Eichenhorn	
75-77	Ralph E. McGruther		88-88	D. S. Pirkle		02-15	Nick A. Khouri	
75-81	Calvin E. Rowley		1989-93	J. James Brozzo		2003-07	Michael H. Michalak	
75-96	Daniel J. Kelly	1991-93	89-00	John W. Clark		03-15	Beth M. Chappell	
75-82	Oscar A. Lundin	1976-79	89-90	Glenda Greenwald		03-08	Frank M. Hennessey	
75-93	Will Scott	1988-91	89-90	Lawrence C. Hoff		2004-09	John T. Bozzella	
1976-86	Ernest W. Anderson		89-95	Paul H. Martzowka		04-07	James G. Davidson	
76-82	Robert M. Surdam		89-96	Michael E. Maslyn		04-15	Ingrid A. Gregg	
1977-80	Jerome Jacobson		89-93	David N. McCammon		04-13	David O. Egner	
77-84	Dudley A. Ward		89-98	George N. Bashara, Jr.		2005-14	Jerry E. Rush	
77-78	Hunter W. Henry		1990-93	Donald C. Eads		05-06	Nancy M. Schlichting	
1978-84	B. G. Caldwell		90-96	Donald R. Parfet		2006-	Aleksandra A. Miziolek*	
78-81	Charles R. Montgomery		1991-92	David A. Houle		2007-15	Terence A. Thomas, Sr.	
78-95	A. Robert Stevenson		91-01	Susan L. Kelly		07-07	Andy Trestrail	
78-84	Donald R. Mandich		91-93	Alice Gustafson		2008-11	Rick DiBartolomeo	
1979-90	Norman B. Weston	1979-81	91-98	David B. Kennedy		08-	Paul R. Obermeyer*	
1980-01	Howard F. Sims		91-01	Patrick J. Ledwidge		08-10	Bryan Roosa	
80-87	William L. McKinley		1992-97	Roger L. Martin		08-13	Lynda Rossi	
1981-88	Frank H. Merlotti		1993-08	J. Edward Berry		08-13	Michael A. Semanco	
81-84	Robert W. Stewart		93-94	Stephen T. Economy		2009-11	Joseph R. Angileri	
81-84	James F. Tornoe		93-94	L. J. Washington		09-13	Cathy H. Nash	
81-87	Richard A. Ware		93-00	John E. Utley, Jr.		2010-	Michael G. Bickers*	
81-82	F. Joseph Svec		93-11	Amanda Van Dusen	1999-02	10-13	Laura Fournier	
1982-83	Harold S. Barron		1994-96	Jerold E. Ring		10-	John J. Gasparovic*	
82-85	Joseph G. Conway		94-04	Martin B. Zimmerman		10-	Kevin Prokop*	
82-88	Charles M. Heidel		94-02	S. Martin Taylor	1995-99	10-13	Sarah A. McClelland	
82-90	F. Alan Smith		1995-96	Albert Calille		2011-12	Mark Davidoff	
82-85	Peggy J. Wollerman		95-97	Shawn M. Kahle		11-	Michael McGee*	
82-83	Louis E. Zimmers		95-98	John S. Skubik		11-13	James Murray	
82-95	Michael M. Glusac		95-09	W. Frank Fountain	2002-05	11-15	Theodore J. Vogel	
1983-84	Frederick H. Marx		1996-02	Ralph W. Babb, Jr.		2012-14	Brian Peters	
83-89	J. Mason Reynolds		96-05	Gary L. Collins		12-	Jay Rising*	
83-86	William J. Schlageter		96-97	Diane Kaye		2013-	Sherrie L. Farrell*	
1984-90	Kenneth Aird		96-01	Ann E. Raden		13-	June Summer Haas*	
84-85	Robert R. Bumb		96-08	Jeffrey K. Willemain		13-16	Kristen McDonald	
84-87	Eugene A. Miller		1997-01	Dale Apley		13-	Kelly Rossman-McKinney*	
84-88	James F. Cordes		97-	Randall W. Eberts*		13-	Candee Safarian*	
84-98	Alfred R. Glancy III		97-99	Howard Sutton		13-	Christine Mason Soneral*	
1985-87	Robert F. Holmes		97-00	Timothy D. Leuliette		2014-	Laura Appel*	
85-89	R. Bruce Johnson		97-04	Gail L. Warden		14-	Jim Davlin	
85-95	Louis Betanzos	1993-95	97-15	Eugene A. Gargaro, Jr.	2008-11	14-	Daniel P. Domenicucci*	
1986-87	Stephen H. Howell		1998-01	Howard Lee Dow		14-	Willam J. Lawrence III*	
86-93	Harry Kalajian		98-04	Harold Krivan		14-	Larry Yachik*	
86-89	David K. Leak		98-15	Daniel T. Lis		14-15	Richard T. Cole	
86-02	Richard C. Webb		1999-02	Vernice Davis Anthony		14-	Gordon Krater*	
1987-89	Harold E. D'Orazio		99-00	Paul Clark		2015-	Beth Dryden*	
87-88	Joseph F. Paquette, Jr.		2000-06	William M. Brodhead		15-	Richard A. Favor, Jr.*	
87-91	Richard C. Van Dusen		00-	Marybeth S. Howe*		15-	David R. Hay*	
87-91	George H. Cress		00-14	Jeffrey D. Bergeron	2011-14	15-	Milton W. Rohwer*	
87-93	John J. Holton		2001-	Terence M. Donnelly*	2014-	15-	Carolee Smith*	
1988-90	T. Neal Combs		01-03	Kelly M. Farr				
88-94	Malcolm G. Dade, Jr.		01-13	Kent J. Vana	2005-08			
88-89	P. Chrisman Iribe		2002-03	Richard A. Collister				

* Current board

Longest Serving Members of the Board

Twenty members have served 20 years or longer.

Member	Years of service	Dates	Member	Years of service	Dates
Irving Rose	36	1972-08	Sidney T. Miller	24	1916-40
William Reeve Clark	29	1948-77	Frederick T. DuCharme	24	1919-43
Emory W. Clark	28	1916-44	George D. Bailey	23	1936-59
Eugene W. Lewis	28	1916-44	Meyer Prentis	23	1944-67
James A. Kennedy	28	1941-69	Walter R. Boris	21	1965-86
Clifford Christenson	27	1954-81	Daniel J. Kelly	21	1975-96
Charles T. Bush	26	1925-51	Howard F. Sims	21	1980-01
Thomas R. Reid	26	1951-77	Norval Hawkins	20	1916-36
E. H. Rydholm	25	1957-82	Henry Sheldon	20	1931-51
Robert F. Magill	25	1972-97	Max P. Heavenrich	20	1952-72

About the Author

Earl M. Ryan was president of the Citizens Research Council of Michigan from 1994 to 2009.

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Finally, a debt of gratitude is owed to Lent D. Upson, who breathed life into a concept and an organization that, one hundred years later, are still worth writing about.

-E.M.R

Current Board of Directors



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Dickinson Wright PLLC



VICE CHAIR

Aleksandra A. Miziolek
Cooper Standard



TREASURER

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Truscott Rossman



Laura Appel
Michigan Health &
Hospital Association



Michael G. Bickers
PNC Financial
Services Group



Jim Davlin
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Retired



Daniel Domenicucci
Ernst & Young LLP



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W. E. Upjohn
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Dykema



Richard A. Favor, Jr.
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David R. Hay
Kelly Services



Marybeth S. Howe
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Lawrence III**
Varnum
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Michael P. McGee
Miller, Canfield,
Paddock and Stone
PLC



Paul R. Obermeyer
Comerica Bank



Kevin Prokop
Rockbridge Growth
Equity, LLC



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Milton W. Rohwer
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Candee Saferian
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CMS Energy



**Christine Mason
Soneral**
ITC Holdings Corp.



Larry Yachcik
Porter Hills

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The mission of the CRC is to promote the development of informed public policy at all levels of Michigan government through the delivery of factual and unbiased analysis of the most critical issues pertinent to state and local government.

CRC works to promote the development of superior public policy through work in five areas:

1. Monitoring trends in state and local finances
2. Analyzing the structure and organization of government
3. Conducting in-depth studies of major public policy issues
4. Identifying options to address policy concerns
5. Informing and educating public officials and concerned citizens to promote efficiency, effectiveness, and accountability in governmental operations

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